Consolidated Financial Statements as of December 31, 2004

(Free translation from the original in Spanish)

a) Consolidated Balance Sheets as of December 31, 2004 and 2003

Consolidated Balance Sheets at December 31, 2004 and 2003

- Expressed in thousands of Euros -

Assets		31/12/2004	31/12/2003
B. Fixed Assets			
I.	**Start-up and Capital Increase Expenses**	**17.642**	**14.009**
II.	**Intangible Fixed Assets**		
	Intangible fixed assets	161.354	155.017
	Provisions and amortisation	(92.055)	(85.932)
		69.299	**69.085**
III.	**Tangible Fixed Assets**		
	Tangible fixed assets	537.977	518.033
	Provisions and amortisation	(236.827)	(220.192)
		301.150	**297.841**
IV.	**Fixed Assets Project Finance**		
	Intangible fixed assets	226.920	14.906
	Provisions and amortisation	(17.386)	(5.144)
	Tangible fixed assets	413.132	457.574
	Provisions and amortisation	(70.592)	(58.347)
	Financial fixed assets	0	54.074
		552.074	**463.063**
V.	**Long-term Investments**		
	Investments in associated companies	33.728	23.952
	Long-term investments	47.496	36.839
	Other investments and loans	44.337	20.373
	Provisions	(13.556)	(5.893)
		112.005	**75.271**
Total Fixed Assets		**1.052.170**	**919.269**
C. Goodwill		**310.638**	**319.375**
D. Deferred Charges		**17.741**	**15.468**
E. Current Assets			
II.	**Stocks**	**200.456**	**202.125**
III.	**Accounts Receivables**		
	Trade receivables	259.240	255.694
	Amounts owed by associated companies	23.412	43.044
	Other receivables	182.013	180.817
	Provisions	(5.204)	(4.267)
		459.461	**475.288**
IV.	**Short-term Investments**		
	Short-term investments	153.525	114.789
	Loans to associated companies	145	151
	Other investments	148.742	47.522
	Provisions	(1.606)	(662)
		300.806	**161.800**
VI.	**Cash at Bank and in Hand**	**252.145**	**264.471**
VII.	**Accruals and Prepayments**	**4.844**	**5.317**
Total Current Assets		**1.217.712**	**1.109.001**
Total Assets		**2.598.261**	**2.363.113**

Consolidated Balance Sheets at December 31, 2004 and 2003

- Expressed in thousands of Euros -

Shareholders´ Equity and Liabilities		31/12/2004	31/12/2003
A. Shareholder´s Equity			
I.	**Share Capital**	**22.617**	**22.617**
II.	**Share Premium**	**110.009**	**110.009**
III.	**Revaluation Reserve**	**3.679**	**3.679**
IV.	**Other Reserves of Parent Company**		
	Distributable reserves	108.091	107.417
	Non-distributable reserves	4.523	4.523
		112.614	**111.940**
V.	**Reserves in Consolidated Companies**	**120.138**	**87.696**
VI.	**Reserves in Associated Companies**	**4.984**	**2.788**
VII.	**Cumulative Translation Adjustments**		
	In Subsidiaries Consolidated by line-by-line or Proportional Method	(57.123)	(49.542)
	In Companies consolidated by equity method	(6.091)	(5.454)
		(63.214)	**(54.996)**
VIII.	**Net Profit attributable to the Group**		
	Net income for the year	58.330	47.810
	Net Profit attributable to minority interests	(6.546)	(761)
		51.784	**47.049**
Total Shareholders´ Equity		**362.611**	**330.782**
B. Minority Interests		**120.064**	**47.093**
D. Deferred Income		**42.004**	**74.407**
E. Provisions for contingencies and expenses		**51.923**	**37.284**
G. Project Finance			
I.	**Long-term Project Finance**	**204.370**	**176.203**
II.	**Short-term Project Finance**	**163.069**	**93.480**
Total Project Finance		**367.439**	**269.683**
H. Long-term Liabilities			
II.	**Loans**	**532.662**	**545.754**
III.	**Other Liabilities**	**129.189**	**98.051**
Total Long-term Liabilities		**661.851**	**643.805**
I. Current Liabilities			
II.	**Loans**	**61.978**	**62.330**
III.	**Amounts owed to Associated Companies**	**6.100**	**4.872**
IV.	**Trade Payables**	**797.322**	**730.684**
V.	**Other Non-Trade Payables**	**119.641**	**154.848**
VI.	**Other Payables**	**4.161**	**2.437**
VII.	**Accruals**	**3.167**	**4.888**
Total Current Liabilities		**992.369**	**960.059**
Total Shareholder´s Equity and Liabilities		**2.598.261**	**2.363.113**

b) Consolidated Statements of Operations for the Years Ended December 31, 2004 and 2003

Consolidated Profit and Loss for the years ended December 31, 2004 and 2003

- Expressed in thousands of Euros -

Expenses

		31/12/2004	31/12/2003
	Materials consumed	1.046.918	1.019.745
	Decrease in stocks	0	3.424
	Personnel expenses	271.634	243.252
	R & D amortisation charges	14.894	13.487
	Other amortisation charges	59.179	53.376
	Change in trading provisions	2.536	3.424
	Other operating expenses	272.216	253.717
	Total Operating Expenses	**1.667.377**	**1.590.425**
I.	**Operating Profit**	**125.673**	**114.940**
	Financial expenses	72.200	61.965
	Loss on financial investments	117	12
	Change in financial investments provisions	1.484	123
	Negative exchange differences	20.838	14.545
	Total Financial Expenses	**94.639**	**76.645**
II.	**Net Financial Income**	**0**	**0**
	Participation in losses from companies under equity method	0	329
	Amortisation of goodwill	19.434	19.380
	Total Ordinary Expenses	**1.781.450**	**1.686.779**
III.	**Profits from Ordinary Activities**	**60.430**	**66.218**
	Loss on sale of fixed assets	618	915
	Decrease in provisions of tangible and intangible fixed assets	7.745	2.295
	Loss on sale of investments in consolidated companies	11	946
	Extraordinary expenses	29.028	31.494
	Total Extraordinary Expenses	**37.402**	**35.650**
IV.	**Net Extraordinary Income**	**2.922**	**0**
	Total Expenses	**1.818.852**	**1.722.429**
V.	**Net Profit before Tax**	**63.352**	**64.497**
	Corporate income tax	(5.022)	(16.687)
VI.	**Net Profit after Tax**	**58.330**	**47.810**
	Profit attributable to minority interests	(6.546)	(761)
VII.	**Profit attributable to the Group**	**51.784**	**47.049**

Consolidated Profit and Loss for the years ended December 31, 2004 and 2003

- Expressed in thousands of Euros -

Income		31/12/2004	31/12/2003
	Net turnover	1.687.125	1.635.314
	Increase in stocks	25.067	0
	Work done for own fixed assets	58.624	31.912
	Other operating income	22.234	38.139
	Total Operating Income	**1.793.050**	**1.705.365**
	Dividends from undertakings	3.579	3.656
	Other financial income	11.545	14.892
	Profits on short-term financial investments	11.892	15.025
	Positive exchange differences	18.180	11.464
	Total Financial Income	**45.196**	**45.037**
II.	**Net Financial Losses**	**49.443**	**31.608**
	Participation in profits from companies under equity method	3.634	2.595
	Total Income from Ordinary Activities	**1.841.880**	**1.752.997**
	Income from sale of fixed assets	6.137	319
	Income from sale of investments in consolidated companies	96	5.328
	Income from sale of investments in companies under equity method	88	84
	Capital grants transferred to profits for the year	3.596	3.826
	Other extraordinary income	30.407	24.372
	Total Extraordinary Income	**40.324**	**33.929**
IV.	**Net Extraordinary Losses**	**0**	**1.721**
	Total Income	**1.882.204**	**1.786.926**

c) Notes to the Consolidated Financial Statements for the year ended December 31, 2004

Notes to the Consolidated Financial Statements for the year ended December 31, 2004

Note 1.- Activity.

Abengoa, S.A. is an industrial and technological Company that, at the end of the year 2004, held a group (hereinafter, Abengoa or the Group) formed by 225 companies, the parent Company itself, 195 subsidiaries and 29 associated companies. Moreover the different companies have investments in about 247 Temporary Consortiums. In addition, Group companies hold interests of less than 20% in other companies.

Abengoa, S.A. was set up as a Limited partnership on January 4, 1941 in Seville and was subsequently transformed into a corporation on March 20, 1952. It is registered in the Mercantile Register of Seville, initially on form 2,921, folio 107 of volume 47 of Corporations and currently, due to the recent adaptation and rewording of the company's articles of incorporation, is registered in volume 573, book 362 of Section 3 of Corporations, folio 94, form SE-1507, registration 296. The company's current registered office is located at Avenida de la Buhaira, nº 2 in Seville.

The company's corporate purpose is described in Article 3 of the company's articles of incorporation. Within the main activities mentioned in the corporate purpose, Abengoa as an applied energy and equipment Company, provides integral solutions in the Energy, Telecommunications, Transport, Water, Environment, Industry and Services sectors.

Abengoa is an industrial and technological Company that provides solutions for Sustainable Development, the Society of Information and Knowledge and Infrastructure Creation.

Abengoa operates through four Business Groups, the activities of which are as follows:

- Bioenergy:

  This area of activity involves the production of ethyl alcohol from vegetable products (cereals, biomass). The alcohol, (bioethanol) is used to manufacture ETBE (unleaded petrol additive or component) or is blended directly with petrol and gasoil. As it is a renewable energy, net CO_2 emissions are reduced (greenhouse effect). Production of DDGS (Distillers' Dried Grains and Soluble), a protein complement for animals and $C0_2$.

- Environmental Services:

  Aluminium, salt slags and zinc waste recycling. Industrial Waste Management, Industrial and Hydrocarbon Cleaning. Environmental Engineering (engineering and construction for water treatment and waste management).

- Information Technologies:

  Specialized in RealTime IT solutions with high added value, in four specific sectors (Energy, Traffic, Transport and Environment), in Europe, North America, Latin America and Asia.

  With over 40 years experience in industrial supervisory control and business process management systems, Telvent executes projects and provides technical services in the field of mission-critical, real-time control and information management. Supported by a comprehensive portfolio of outsourcing and consulting services, Telvent manages IT and telecommunications infrastructure for an extensive international client base.

- Engineering and Industrial Construction:

  Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors. Development, construction and operation of industrial plants, conventional power plants (cogeneration and combined cycle) and renewable energy facilities (bioethanol, biomass, wind, solar, geothermal), as well as those based on hydrogen and fuel cells. Turnkey telecommunications networks and projects. Merchandising of products related to aforementioned activities as well as manufacturing of auxiliary elements for energy and telecommunications.

Note 2.- Subsidiary Companies.

Information concerning the 195 Consolidated Subsidiary companies by line-by line method is given in Appendix I to these Notes.

Note 3.- Associated Companies.

Information on the 29 Associated Companies consolidated by the equity method is given in Appendix II to these Notes.

Note 4.- Temporary Consortiums.

4.1. Information on the 133 Temporary Consortiums consolidated by the Proportional Consolidation Method is given in Appendix III to these Notes.

4.2. Under the provisions of articles 11 and 14 of the Rules for the Formulation of Consolidated Annual Accounts, 114 Temporary Consortiums have not been included in the consolidation process. The net book value of the investments in the non-consolidated Temporary Consortiums is € 243 thousands, and they are accounted for as "Short-Term Investment" on the consolidated balance sheet. The net turnover in proportion to the interest held is 0.45% of the net consolidated turnover. The net aggregated profit in proportion to the interest held is € (64) thousands.

Note 5.- Abengoa, S.A. Profit Distribution.

The proposal for the distribution of the net profit of Abengoa, S.A. for the year 2004 to be submitted for the approval of the General Shareholders' Meeting is as follows:

Basis of distribution	**€ thousands Amount**
Profit and Loss	**12,984**

Application to	**Amount**
Voluntary reserves	318
Dividends	12,666
Total	**12,984**

Note 6.- Basis of Presentation.

6.1. The Consolidated Financial Statements are based on the statutory accounting records of Abengoa, S.A. and its group of companies and are prepared in accordance with generally accepted accounting principles in Spain established in the current mercantile legislation, to present fairly the equity, the financial position and the results of the Group.

6.2. The figures contained in the documents that comprise the Consolidated Financial Statements (balance sheet, statement of operations and these notes) are expressed in thousands of Euros.

Unless otherwise stated, the percentage holding in the capital of entities includes both the direct interest and the indirect interest corresponding to group companies with direct holdings, not the total interest which would be held by the parent Company.

6.3. When necessary, the appropriate reclassifications have been made on the 2003 balance sheet and statement of operations, in order to facilitate the comparison with the year 2004 figures. Applying the true and fair view criterion, interests acquired as a vehicle for specific business operations are valued from their acquisition date until the date of sale using accounting criteria similar to those used for other investments, with the difference that the amortization of the implicit goodwill is deferred for accounting purposes and that the associated profit/loss are considered as an operating results, to the extent that there are no reasons that make an earlier reduction of its book value advisable, until the vehicle company starts its regular economic operations, applying a strict criterion of correlation of income and expenses (integral treatment).

6.4. Appendix I lists the 25 Companies / Entities that are fully consolidated by the line-by-line method for the first time in this year. (See Note 6.6).

6.5. In October 2004, the capital increase in Telvent GIT, S.A. was subscribed and completed, the listing on the Nasdaq then becoming effective.

The capital increase was carried out by the issuance of 9,247,100 shares, the placement price being 9 dollars per share. Thus, Abengoa became the owner of a holding of 62.23% in Telvent GIT and, therefore, maintained a majority interest in the company.

6.6. The consolidation of the companies mentioned in Note 6.4 did not have any significant effect on the global consolidated figures at December 2004.

6.7. Appendix II shows the 6 Companies / Entities included this year in the consolidation that are consolidated by the equity method.

6.8. Likewise, 69 Temporary Consortiums were consolidated for the first time in the year, as they started their activities in this year and/or commenced significant operations. Their contribution to the consolidated turnover is € 12,530 thousands.

6.9. Certain Companies / Entities have been excluded from the consolidation process (line-by-line method):

Corporate Name	% Shareholding	Reason
Abensur Medio Ambiente, S.A.	100.0%	Merged with Befesa CTA, S.A.
Ecomat Fabricación de Equipos, S.L.	100.0%	Disposal of the company
Inabensa Inc.	100.0%	Dissolution of the company
Internet Recicla, S.A	100.0%	Dissolution of the company
L.T. 304 Noroeste, S.A. de C.V.	100.0%	Dissolution of the company
Negocios e Inversiones de Centroamérica, S.A. (Nica)	100.0%	Dissolution of the company
Nueva Electricidad del Gas, S.A. (Nuelgas)	98.6%	Disposal of the company
Sdem Inabensa, S.A.	50.0%	Dissolution of the company
Sinaben Multimedia, AIE	50.0%	Dissolution of the company
Telvent Datahouse, S.A.	100.0%	Merged with Telvent Housing, S.A.
Teytel, S.A.	100.0%	Disposal of the company

Sales and results contribution to the consolidated figures coming from companies excluded from the consolidation process due to the disposal of the company, has been € 2,519 thousands and € 2.635 thousands, respectively. Contribution from companies excluded for any other reason has been practically non existent.

In the case of the sale of Nueva Electricidad del Gas, S.A. (Nuelgas), the amount pending collection at December 31, 2004 was € 7,817 thousands, recorded under the caption Other Debtors on the accompanying balance sheet. As a guarantee of collection, a purchase option is held on the shares sold, which are also pledged.

6.10. Certain Companies / Entities have been excluded from the consolidation process (equity method):

Corporate Name	% Shareholding	Reason
Dragados Indust.-Electric Trafic-Indra-S.Tráfico, AIE	22.8%	Change of consolidation method
Nap de las Américas – Madrid, S.A.	20.0%	Disposal of the company
Tuca, AIE	50.0%	Dissolution of the company

With no significant effect on the results in respect of the consolidated figures for both 2003 and 2004.

6.11. Likewise, 66 Temporary Consortiums were eliminated from the consolidation in the year due to the finalization of their operations or the fact that such operations were not significant, neither individually nor globally. Their net turnover, in proportion to the interest held, was € 22,474 thousands in 2003.

Note 7.- Valuation Standards.

The most significant accounting policies applied in the preparation of the consolidated Financial Statements are the following:

a) Goodwill on Consolidation.

Goodwill represents the positive difference between the net book value of the parent company's investment in subsidiary, associated and multi-group companies and its share in the net equity at the date of acquisition.

The investments made in the companies that gave rise to the Goodwill on Consolidation are long-term investments, operations being expected to continue for between 12 and 20 years. Consequently, under current applicable legislation, in order to apply the accounting principle of the correlation of income and expenses correctly, it is considered appropriate to amortize the Goodwill over a term of twenty years or, if applicable, over the estimated term of the project, if shorter.

b) Consolidation Difference.

If applicable, it would include the difference where it arises; negative consolidation difference represents the excess of the parent company's share in the net equity of subsidiary companies and multi-group companies at the date of acquisition in respect of the net book value of its investment in such subsidiary companies and multi-group companies.

Consolidated difference is only credited to the profit and loss account in the cases mentioned in the Spanish Consolidated Annual Accounting Standards.

c) Intercompany transactions.

Income and expenses relating to transactions with related parties are eliminated until they materialise with third parties outside the Group

Accounts receivable and payable between related parties, which were included in the consolidation, are eliminated in the consolidation process.

d) Consistency of accounting policies applied.

Accounting policies consistent with those applied by the parent Company have been applied in all the companies included in these Consolidated Financial Statements.

e) Translation of foreign companies' Financial Statements.

For the purpose of preparing the accompanying consolidated financial statements, the investees' financial statements denominated in foreign currencies were translated to local currency as follows:

1) All goods, rights and liabilities are translated into local currency using the foreign exchange rate at the end of the financial year.

2) The statements of operations of foreign companies are translated into local currency using the annual average exchange rate calculated as the aritmethic average of all month-end foreign exchange rates.

3) The difference between the amount of the foreign company's shareholders' equity (including the profit and loss account), which is calculated in accordance with the preceding paragraph 2) translated at the historic exchange rate, and the net financial position calculated according to translation of goods, rights and liabilities described in paragraph 1) above, is presented, with negative or positive sign, in the shareholders' equity on the consolidated balance sheet, under the "Translation Differences" caption.

The translation of the results of companies consolidated by the Equity Method was carried out in accordance with the annual average foreign exchange rate, calculated in accordance with paragraph 2) above.

For companies located in countries with high inflation, translation is made at the exchange rate at the end of the financial year, once the financial statements have been adjusted in accordance with accounting rules for inflation. This practice has had no significant effect on the Financial Statements.

f) Start-up and capital increase expenses.

Start-up and capital increase expenses are valued at the cost of acquisition or production of the goods or services, which give rise to them. They are systematically amortized over a period of five years.

g) Intangible Fixed Assets.

The items, which comprise Intangible Fixed Assets, are valued at their acquisition cost or cost of production. These assets are amortized on a straight-line basis following their actual estimated useful lives.

There are Research & Development expenses that are, in general, charged to the profit and loss account in the year in which they are incurred and there is an individual breakdown of each specific R&D project. There are likewise certain projects that are amortized over 5 years as from the date they come into operation. Abengoa companies took part in research and development programs carried out by other entities in which a minority interest is held. The amounts associated to their contributions to these programs are capitalized and amortized over a five-year period in the cases where the conditions established for this purpose in the General Accounting Plan are met.

Administrative concessions are valued at acquisition cost and are charged systematically to the profit and loss account over the period of the concession.

Patent rights are valued at acquisition cost and their amortization is calculated applying the straight-line method over the period for which its exclusive use is recognized.

Transfer rights are only accounted for when produced through an acquisition, in return for a consideration.

Data processing applications include the amounts paid for the access to property or rights for the use of programmes as well as the costs of those designed by the Company itself, when it is foreseen that their utilisation will be spread over a number of years. Maintenance costs of these applications are charged directly to the profit and loss account of the year in which they are incurred. Amortization is calculated on a straight-line basis over a period of five years from the moment the use of the respective data processing application begins.

Assets acquired under finance leases are accounted for as Intangible Fixed Assets when, from the economic conditions of their contracts, they can be considered to be acquisitions. Amortization is calculated as described in paragraph h) below.

Lastly, the investment made in construction projects collection of which is implemented by means of a long-term royalty is recorded under the caption "Fixed Assets in Projects" (See Note 13), since the control and the risks inherent to the assets are deemed to correspond to the payer.

h) Tangible Fixed Assets.

Items included in Tangible Fixed Assets are valued at their acquisition or production cost.

The value of the assets includes the effect of the legal revaluations approved by legislation of the country where each Company is located, except for Argentina in the present year, pursuant to the technical pronouncement issued by the Spanish Accounting and Account Auditing Institute (ICAC) during the year 2002. Renewal, enlargement or improvement costs are included in the assets as a higher value of the item only when it involves an increase in their capacity, productivity or useful life.

Amounts relating to the works carried out by the Company itself are valued at their cost of production and are credited to the profit and loss account. Interest expenses and exchange differences related to the external financing of investments in Tangible Fixed Assets are only accounted for as an increase in the asset value when they arise before the asset is put into operation, provided that the total value of the asset thus calculated does not exceed the market value.

The depreciation of Tangible Fixed Assets is calculated systematically by applying the straight-line method over the useful life of the assets and considering the effective depreciation of the asset due to use. If applicable, any value adjustments that arise are made.

The annual rates used to calculate the depreciation of Tangible Fixed Assets are as follows:

Items	% Rate
Buildings	2% - 3%
Installations	4% - 12% - 20%
Machinery	12%
Tools	15% - 30%
Furniture	10% - 15%
Construction equipment and supplies	30%
Data processing equipment	25%
Vehicles	8% - 20%

i) Financial investments.

Long and short term security investments, with fixed or variable interest, are valued at their cost of acquisition at the time of subscription or purchase, plus revaluations made in the effect of the legal revaluation. The necessary eliminations have been made in the consolidation process in accordance with the consolidation method followed.

For values listed on a stock exchange, when the year-end market value is lower than the acquisition cost, the provisions necessary to reflect the fall in value are made and charged to the profit and loss account.

Unlisted securities are valued at acquisition cost less, when applicable, any provisions deemed necessary to reflect the fall in value suffered, which are in no case less than the losses incurred on the percentage shareholding. In order to calculate the provisions required, the underlying book value of the securities, adjusted by the amount of any tacit capital gains which existed upon acquisition and still exist at the time of the subsequent valuation, is taken as the reference value.

j) Non-trade receivables.

Long and short-term non-trade receivables are recorded at the amount actually outstanding. The difference with the nominal value is considered as interest income accrued in the period, following financial criteria.

Bad debts are provided for when considered necessary in the specific circumstances.

k) Deferred charges.

Deferred charges relate basically to interest on finance leases and other deferred expenses. The net book value of the items included under this caption is: leasing € 1,908 thousands and Other Deferred Expenses € 15,833 thousands, comprising basically debt formalisation expenses, the treatment of grain futures market transactions (See Note 16.2), and other items.

l) Stocks.

Raw materials and other supplies are valued at acquisition cost (first in, first out) plus all additional expenses incurred until the goods reach the warehouse.

Auxiliary products, consumables and replacements are valued at the latest invoice price or market value, if lower. The valuation of these products at the latest invoice price does not differ significantly from the valuation that would have been obtained if the first in, first out criterion had been applied.

Finished goods are valued at the lower of market value or average production cost, calculating the latter as the specific cost of the supplies and services plus the applicable part of the direct and indirect labour and general manufacturing costs.

Work in progress value includes costs directly incurred and the corresponding part of indirect costs incurred during the production period.

Provisions for depreciation and obsolescence are established when necessary.

Several Group companies have carried out transactions in the metal futures market (basically zinc and primary and secondary aluminium) to totally or partially hedge operations for the purchase or sale of physical tonnes with content of said metals.

Likewise, there are various futures transactions on raw materials markets (cereals, commodities, etc.) to totally or partially hedge physical purchase or sale transactions os said raw materials.

The price differences produced by the continuous variations in the futures traded on official markets are treated in accordance with the following criteria:

- Both positive and negative differences due to the changes of prices in genuine future transactions to hedge risks are booked by adjusting the value of the main transaction hedged.

- Both positive and negative differences on transactions that are not defined as hedges are taken directly to the profit and loss account over the life of the transaction, theoretically closing the positions on the transactions open in accordance with market prices.

m) Shares of the parent Company.

The parent company does not hold any of its own shares neither during the year nor at the year-end.

n) Capital grants.

Capital grants are valued at the amount awarded and are recorded when they are considered to adequately meet the conditions established by the body granting them. They are released to the profit and loss account on a systematic basis in line with the estimated useful life of the assets to which they relate.

Regarding to the allocation to the profit and loss account of capital grants related to fixed assets, as in previous years, the company applies criteria similar to international accounting standards, considered them as less value of fixed assets cost. The figure for the current year amounts to € 4,366 thousands.

ñ) Provisions for liabilities and charges.

This caption includes provisions for contingencies and expenses relating to probable and/or certain liability. Amounts are assigned to the provision when, applying the most conservative valuation criteria, circumstances thus advise.

o) Provisions for pensions, similar obligations and other.

Certain group companies hold a series of obligations under incentive programs with management and employees (1.25% of the share capital of Befesa Medio Ambiente, S.A., 5.24% of Telvent GIT, S.A. and 3.29% of Abengoa Bioenergía, S.A.). These obligations are not significant and if applicable an appropriate provision has been made.

p) Long and short-term payables.

Long and short-term non-trade payables are recorded at their reimbursement value. The difference between this amount and the amount actually paid is accounted for as interest expense during the period in which it is accrued, following financial criteria.

Credit facilities are shown in the accounts at the amount drawn of the total credit facility available.

Amounts relating to trade bills discounted and factoring with recourse pending maturity at the year-end are recorded as short-term receivables and loans from financial entities. Factoring without recourse is treated as collection; the related financial expense was approximately € 12,198 thousands in the year.

In addition, the caption Other Non-trade Debtors in the balance sheet liabilities includes accounts payable for balances held between different Group companies for an amount of approximately € 44 million implemented by the financial method of "Confirming without recourse" under the agreements signed with various financial institutions, in the cases where the Group companies receiving the "confirming" collected the invoices in advance.

See the treatment of financing without recourse in process in Note 13.6.

q) Corporate income tax.

The charge for corporate income tax is recorded in the profit and loss account for the year and is calculated taking into account the timing differences associated with the different treatments for accounting and tax purposes of certain operations and the tax allowances to which the companies are entitled (See Note 24.5).

r) <u>Foreign currency transactions</u>.

The following procedures are applied in accounting for foreign currency operations:

1. Intangible and Tangible Fixed Assets:

   These balances are translated into local currency at the exchange rate prevailing on the date of the operation.

2. Stocks:

   The acquisition price or production cost is translated into local currency at the exchange rate prevailing at the date of the related transaction.

3. Financial investments:

   Financial investments are translated into local currency at the exchange rate prevailing at the date the investment is acquired.

   At the year-end they are valued at the exchange rate prevailing at this date and, if necessary, a provision is established.

4. Cash and banks:

   Foreign currencies are translated at the exchange rate prevailing on the transaction date. At the year-end, they are valued at the exchange rates prevailing at this date. Exchange differences are charged directly to the profit and loss account.

5. Accounts payable and receivable:

   Accounts payable and receivable in foreign currency are translated into local currency at the exchange rate prevailing on the date of the related operation. At the year-end they are translated at the exchange rate prevailing at this date.

   Unrealized exchange gains, where they occur, are not recorded as income for the year but are included in the balance sheet as deferred income. Unrealized exchange losses are charged directly to the profit and loss account.

Exchange rate hedging transactions (exchange rate insurance) are carried out in the circumstances in which, applying the conservative valuation principle, they are considered appropriate in order to mitigate the risks on operations abroad, hedging specific risks.

s) <u>Accounting for income and expenses</u>.

Sales of goods and income from services provided are recorded net of the applicable taxes and all discounts except those for prompt payment, which are considered as financial expenses whether or not they are included in the invoice.

Amounts relating to taxes in respect of purchases of merchandise and other goods acquired for resale, excluding Value Added Tax (VAT) and direct transport costs, are considered as part of the purchase price or cost of the services acquired.

Discounts subsequent to issuing or receiving invoices due to defects in quality, non-compliance with delivery dates or other similar reasons, as well as volume discounts on sales are all recorded separately from the sale or purchase amount of the goods and from the income or expenses for services, respectively.

The income from contract work is recognised upon completion and delivery. However, for long-term contracts (more than one year), income is recognised following the percentage of completion method, which includes billings on account and recognising income based on estimated margins taking into account the contingencies and risks estimated until the completion of the contract and delivery to the customer.

Through several Group companies, certain projects (to which Notes 13.4 and 13.6 refer) have materialized in which the company (in association with other companies or alone) is awarded a concession contract for periods ranging from 20 to 30 years, including the initial construction period, which may have a maximum duration of 2 years. These contracts, therefore, include both the construction of the infrastructures and the future services associated with operating and maintaining the concessions over the period for which they are awarded.

The infrastructures are constructed for the account of the entity holding the concession and financed by means of a medium-term (2-year) bridge loan and subsequently by financing without recourse from a banking institution that requires the pledge of the shares of said entity and the delegation of the financial collection rights in favour of the financial institution, together with compliance with the debt cover ratios and subordination of the payment of dividends and interest to shareholders to the explicit approval of the financial institution if said ratios are met.

On the basis of the contents of the preceding paragraphs, each one of these projects bears, in addition to the infrastructure construction costs passed on, the financial costs relating to the project financing, which are capitalized until the line comes into operation (with the exception of any delays that might be deemed to be the responsibility of the company holding the concession), the operation and maintenance costs, and overheads and administration costs

The above mentioned costs are collected by the concession holder’s charging an annual royalty during the period covered by the concession, maintained in actual terms (revised in accordance with inflation) either a) for the first half of the period of the concession, being reduced by 50% as from the following year and revised from that time onwards until the end of the concession or b) for the whole period of the concession. The revision is annual and is based on the official inflation index of the country of the currency in which the royalty is nominated and the variations in the local currency in relation to a basket of currencies.

In these complex transactions:

a) The profit assigned to the first phase of construction is recognized in accordance with the percentage of completion method, applying values that in no case exceed the sums financed by the associated project finance agreements. The total construction costs are booked as intangible fixed assets and amortized on a straight-line basis over the period of the concession, weighted, if applicable, by any reductions that may be provided for in the basic annual tariffs.

b) The allocation to the profit and loss account during period of the concession is as follows:

- Operating income: the basic revised royalty for each year.

- Operating expenses: operation and maintenance costs, overheads and administration costs and the pertinent provision for amortization in accordance with the criterion explained in paragraph a) above.

- Financial expenses: the financing expenses calculated as the exchange rate differences caused the effect of the variation in the part nominated in foreign currency.

t) Electricity activities

Law 54/1997 of November 27 and the subsequent implementing legislation regulates the different activities related to the supply of electricity. This mainly consists of the production or generation, transport, distribution, commercialization and intra-Community or international exchange of electricity, together with the economic and technical management of the electricity system. This field of activity also includes the self-producers and producers under the special regime regulated in this Law.

Royal Decree 437/1998 of March 20 approved the General Accounting rules for the electricity industry companies and, therefore, for those included in the groups mentioned in the preceding paragraph. These rules establishes certain obligations to be disclosed in their annual accounts. These obligations are applicable for the consolidated annual accounts of groups that include one or more electricity activities.

Certain consolidated companies carry on operations that may be considered to fall within those considered as electricity activities as described above.

Appendix IV gives details of these companies and their activities.

Note 13 “Fixed Assets in Projects” gives details of the investments made in each one of these activities.

Note 26 “Income and Expenses” gives details of the net turnover of each activity.

u) Assets for environmental use.

The equipment, installations and systems applied to eliminate, reduce or control any environmental impacts are booked applying criteria analogous to those used for fixed assets of a similar nature.

Specific provisions are made for environmental contingencies when, applying a highly conservative principle, circumstances make this recommendable.

Note 8.- Goodwill on Consolidation.

8.1. Details of Goodwill on Consolidation by subsidiary at December 31, 2004, together with the accumulated amortization, are shown below:

Goodwill on Consolidation	Amount	Accumulated Amortization	Net
Line-by-line / proportional method consolidated companies			
Abengoa Bioenergy Corp.	55,106	(7,871)	47,235
Abengoa Chile Consolidado	10,195	(3,010)	7,185
Befesa Aluminio Valladolid, S.A.	537	(153)	384
Befesa Aluminios Bilbao, S.L.	22,136	(5,208)	16,928
Befesa Argentina, S.A.	616	(137)	479
Befesa Gestión de PCB, S.A	203	(33)	170
Befesa Gestión de Residuos Industriales, S.L.	36,279	(6,076)	30,203
Befesa Medio Ambiente, S.A.	197,367	(44,379)	152,988
Befesa Tratamientos y Limpiezas Industriales, S.L.	16,171	(2,001)	14,170
Befesa Zinc Amorebieta, S.A.	3,192	(707)	2,485
Befesa Zinc Aser, S.A.	5,582	(1,752)	3,830
Befesa Zinc Sondika, S.A.	1,025	(228)	797
Construcciones y Depuraciones, S.A.	3,006	(113)	2,893
Construcciones Metálicas Mexicanas, S.A. de C.V.	76	(2)	74
Enernova Ayamonte, S.A.	361	(144)	217
Gestión de Residuos del Cerrato, S.L.	1,232	(62)	1,170
ICX Sistemas	15	-	15
Miner & Miner Consulting Engineers, Inc.	5,879	(6)	5,873
Nordic Biofuels of Ravenna	854	(22)	832
Sociedad Inversora en Energía y Medioambiente, S.A.	2,146	(862)	1,284
Telvent Canadá, Ltd.	17,272	(1,663)	15,609
Telvent USA, Inc.	1,865	(179)	1,686
	381,115	**(74,608)**	**306,507**
Equity method consolidated companies			
Deydesa 2000, S.L.	5,138	(1,076)	4,062
Intersplav	344	(275)	69
	5,482	**(1,351)**	**4,131**
Total	**386,597**	**(75,959)**	**310,638**

8.2. The variations in the net balance of this caption in the year 2004 were as follows:

Goodwill on Consolidation	Amount
Balance at 31.12.03	319,375
Additions for Purchase:	10,971
Decreases	(274)
Allocation to profit and loss account (amortisation)	(19,434)
Balance at 31.12.04	**310,638**

The caption Additions for Purchases basically includes the Goodwill arising on the acquisitions of the companies Construcciones y Depuraciones, S.A., Gestión de Residuos del Cerrato, S.L. and Miner & Miner Consulting Engineers, Inc., made in the year 2004.

Note 9.- Investments in Associated Companies.

Details of investments in associated companies consolidated by the Equity Method as of December 31, 2003 and 2004 and of the variation therein are as follows:

Companies	Balance at 12.31.03	Allocation profit/(loss) for year	Other Movements	Balance at 12.31.04
Agua y Gestión de Servicios Ambientales, S.A.	-	434	5,358	5,792
Cogeneración del Sur, S.A.	70	2	-	72
Cogeneración Motril, S.A.	2,506	523	240	3,269
Deydesa 2000, S.L.	3,583	161	(243)	3,501
Ecología Canaria, S.A. (Ecansa)	700	172	1	873
Expansion Transmissao de Energía Electrica Ltda.	6,651	827	(946)	6,532
Expansion Transmissao Itumbiara Marimbondo, Ltda.	139	208	3,873	4,220
Intersplav	3,240	520	(1,507)	2,253
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	5,879	787	(233)	6,433
Otras sociedades	1,184	-	(401)	783
Total	**23,952**	**3,634**	**6,142**	**33,728**

The most significant movements in the year relate to paying up the capital increases in Expansion Transmissao Itumbiara Marimbondo, Ltda. and Agua y Gestión de Servicios Ambientales, S.A.

Holdings in companies resident outside Spanish territory total € 19,439 thousands.

Note 10.- Start-Up and Capital Increase Expenses.

The variations in start-up and capital increase expenses for the year were as follows:

	Start-up Expenses
Balance at December 31, 2003	14,009
Increases	9,296
Decreases	(113)
Allocation to profit and loss account (amortisation/depreciation of fixed assets)	(5,550)
Balance at December 31, 2004	**17,642**

The most significant increase was basically caused by the expenses incurred in the capital increase in Telvent GIT, S.A. due to the listing of said company on the United States technological market Nasdaq (See Note 6.5).

Note 11.- Intangible Fixed Assets.

11.1. Details of the Intangible Fixed Assets as of December 31, 2003 and 2004 and of the variation therein are as follows:

	Rights under Leasing Contracts	Research and Development Expenses	Concessions and Patents	Other Intangible Fixed Assets	Total
Cost					
Balance at December 31, 2003	27,270	105,333	17,564	4,850	155,017
Increases	516	11,948	396	1,600	14,460
Decreases	(290)	-	-	(119)	(409)
Other Movements	-	(254)	(7,139)	(321)	(7,714)
Balance at December 31, 2004	**27,496**	**117,027**	**10.821**	**6,010**	**161,354**
Accumulated Amortisation					
Balance at December 31, 2003	(2,658)	(71,019)	(9,230)	(3,025)	(85,932)
Additions (provision)	(1,953)	(12,577)	(830)	(1,491)	(16,851)
Decreases	-	-	-	180	180
Other Movements	180	2,892	4,914	2,562	10,548
Balance at December 31, 2004	**(4,431)**	**(80,704)**	**(5,146)**	**(1,774)**	**(92,055)**
Net Fixed Assets					
Balance at December 31, 2003	**24,612**	**34,314**	**8,334**	**1,825**	**69,085**
Balance at December 31, 2004	**23,065**	**36,323**	**5,675**	**4,236**	**69,299**

The amounts relating to “Other Movements” reflect, in general, companies joining and leaving the consolidated group, together with adjustments between the final balances of individual companies for the prior year and the balances contributed for consolidation. The net effect is not significant.

11.2 The caption "Rights under Leasing Contracts" includes assets acquired through finance lease contracts and have been accounted for in accordance with the transitory provisions of Royal Decree 1643/1990 dated December 20.

Original Cost	Instalments Paid	Instalments Paid in the Year	Instalments Pending	Value of Purchase Option
27,496	12,721	6,980	15,353	268

The amount relating to companies resident outside Spanish territory totals € 1,614 thousands.

11.3. The breakdown of Research and Development by Business Group is as follows:

Business Groups	Total Cost	Accumulated Depreciation	Net at 12.31.04	Net at 12.31.03
Bioenergy	21,448	(15,762)	5,686	7,496
Environmental Services	4,696	(2,244)	2,452	1,184
Information Technology	70,067	(47,930)	22,137	16,755
Engineering and Industrial Construction	20,816	(14,768)	6,048	8,879
Total	**117,027**	**(80,704)**	**36,323**	**34,314**

11.4. The caption "Concessions and Patents" includes, among other items, the following assets, which will revert to their previous owner in accordance with the respective concessions.

Description	Act. (*)	Amount	Accumulated Depreciation	Net	Concession Year	Year of Reversion	Institution
Surface rights	(3)	1,994	(1,595)	399	1992	2007	Private Sector
Operating concessions	(3)	721	(721)	-	1997	2001	Private Sector
Administrative concessions	(5)	1,226	(337)	889	1993	2033	Agesa
Surface rights	(5)	179	(46)	133	1985	2007	Public Sector
Patents	(4)	302	(302)	-	1990	2010	INPI Brasil
Surface rights	(4)	1,673	(849)	824	1996	2008	Furfural Español
CR Tánger	(4)	1	-	1	2003	2006	Public Sector
Alvega concessions	(2)	3,310	(674)	2,636	1990	2010	Private Sector
Right of way	(2)	623	(207)	416	1980	2017	Fertiberia
Contribution and use of Technology	(2)	300	(87)	213	2000	2010	Global Plasma
Other non-reversible rights	(1),(2),(3)	492	(328)	164	Other	Other	Other
Total		**10,821**	**(5,146)**	**5,675**			

(*) Details of Administrative Concessions and Industrial property by type of activity on page 5 of Appendix I.

There is no obligation to create a reversion fund.

Details of the amounts relating to companies located outside Spanish territory are as follows:

Cost	680
Accumulated Depreciation	(566)
Net	**114**

Note 12.- Tangible Fixed Assets.

12.1. Details of Tangible Fixed Assets as of December 31, 2003 and 2004 and of the variation therein are as follows:

	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2003	86,507	344,739	7,081	79,706	518,033
Increases	5,152	15,742	16,452	5,478	42,824
Decreases	(2,707)	(9,106)	(20,665)	(1,511)	(33,989)
Other Movements	860	2,258	4,413	3,578	11,109
Balance at December 31, 2004	**89,812**	**353,633**	**7,281**	**87,251**	**537,977**
Accumulated Amortisation					
Balance at December 31, 2003	(17,521)	(161,525)	-	(41,146)	(220,192)
Increases	(4,596)	(17,195)	-	(5,112)	(26,903)
Decreases	1,684	4,534	-	1,504	7,722
Other Movements	1,870	515	-	161	2,546
Balance at December 31, 2004	**(18,563)**	**(173,671)**	**-**	**(44,593)**	**(236,827)**
Net Fixed Assets					
Balance at December 31, 2003	**68,986**	**183,214**	**7,081**	**38,560**	**297,841**
Balance at December 31, 2004	**71,249**	**179,962**	**7,281**	**42,658**	**301,150**

The amounts of “Other Movements” show, in general, companies joining and leaving the consolidation process, together with the adjustment of final balances of individual companies for the preceding year in respect of those contributed to be consolidated.

12.2. The following Tangible Assets have been fully depreciated:

Description	Amount
Buildings	615
Technical Installations and Machinery	38,096
Other Installations, Tools and Furniture	7,640
Other Tangible Fixed Assets	13,525
Total	**59,876**

12.3. The most relevant revaluations in Tangible Fixed Assets in previous years are as follows:

Company	Gross Value	Accumulated Depreciation	Net Value
Abengoa	1,845	(131)	1,714
Befesa Aluminio Bilbao	2,396	(2,167)	229
Befesa Aluminio Valladolid	935	(700)	235
Befesa Desulfuración	9,220	(3,815)	5,405
Eucomsa	2,687	(2,406)	281
Total	**17,083**	**(9,219)**	**7,864**

The effect on the accumulated depreciation in the year was € 482 thousands.

12.4 The most significant investments in Tangible Fixed Assets (net of depreciation) located outside national territory are:

Country	Amount
Argentina	2,767
Brazil	2,394
Chile	367
China	92
France	12
Mexico	10,443
Morocco	199
Peru	506
Portugal	5,498
Scandinavia	17
Thailand	1
United Kingdom	19,109
United States	64,278
Uruguay	3,452
Total	**109,135**

12.5. Fixed Assets not assigned to company's operations are not significant.

12.6. It is the group's policy to insure all assets as considered necessary to cover possible risks, which could materially affect their value or usefulness.

Note13.- Project Financing.

13.1 Shareholdings in several companies with the corporate purpose of a "single project" are included in the consolidated group.

The companies with the Projects usually finance them by what is known as "Project Finance" (Financing without Recourse Applied to Projects).

In this figure, the basis of the finance agreement between the Company and the financial entities is the allocation of the cash flow generated by the project to repayment of the financing and settling the financial charges, excluding or limiting the amount of any other equity resources that may be used for this purpose, so that the financial entities recovers the investment exclusively through the cash flows of the project it is financing, with subordination of any other debt to that derived from the Financing without Recourse Applied to Projects until the latter has been fully repaid.

Thus, these are formulae for financing without recourse, which are applied only to specific business projects. In these companies used to participate other shareholders such as electricity companies, the authorities of the autonomous region or other local shareholders, apart from Abengoa, S.A. or subsidiaries.

13.2. Financing without Recourse Applied to Projects usually has the following guarantees:

- The pledge of shares in the promoting Company, authorized by the shareholders thereof.
- The assignment of collection rights.
- Limits on the disposal of the project's assets

13.3 The amounts of the captions related to Project Financing and the movement thereon during the year were as follows:

Fixed Assets in Projects	**Balance at 12.31.04**	**Balance at 12.31.03**
Intangible Fixed Assets	209,534	9,762
Tangible Fixed Assets	342,540	399,227
Financial Assets	-	54,074
Total	**552,074**	**463,063**

Financing without Recourse Applied to Projects	**Balance at 12.31.04**	**Balance at 12.31.03**
Long-term	204,370	176,203
Short-term	163,069	93,480
Total	**367,439**	**269,683**

Net	**184,635**	**193,380**

13.4. The amounts of the investments in fixed assets in Projects financed without recourse and the movement thereon during the year were as follows:

Intangible Fixed Assets	Balance at 12.31.03	Increases	Decreases	Other Movements	Balance at 12.31.04
Intangible Fixed Assets	14,906	5,530	(22)	206,506	226,920
Accumulated Amortisation	(5,144)	(7,441)	-	(4,801)	(17,386)
Net Intangible Fixed Assets	**9,762**	**(1,911)**	**(22)**	**201,705**	**209,534**

Tangible Fixed Assets	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2003	17,460	272,247	161,722	5,965	457,574
Increases	8	45,641	89,745	197	135,591
Decreases	-	(476)	-	-	(476)
Other Movements	(11,072)	(28,965)	(139,549)	29	(179,557)
Balance at December 31, 2004	**6,396**	**288,627**	**111,918**	**6,191**	**413,132**
Accumulated Amortisation					
Balance at December 31, 2003	(4,837)	(49,644)	-	(3,866)	(58,347)
Increases	(35)	(16,633)	-	(660)	(17,328)
Decreases	-	-	-	4	4
Other Movements	4,684	21	-	374	5,079
Balance at December 31, 2004	**(188)**	**(66,256)**	**-**	**(4,148)**	**(70,592)**
Net Fixed Assets					
Balance at December 31 2003	**12,623**	**222,783**	**161,722**	**2,099**	**399,227**
Balance at December 31, 2004	**6,208**	**222,371**	**111,918**	**2,043**	**342,540**

Financial Assets	Balance at 12.31.03	Increases	Decreases	Other Movements	Balance at 12.31.04
Long-term Credits	54,074	-	-	(54,074)	-
Provisions	-	-	-	-	-
Net Financial Assets	**54,074**	**-**	**-**	**(54,074)**	**-**

Until December 31, 2003, in relation to the accounting treatment concerning the construction projects collection of which takes place by receiving a long-term royalty (20 to 30 years), See Note 7.f, the investment made was recognized as a tangible fixed asset and, in one case, as a financial asset, valued at the price fixed in the project finance contract. At December 31, 2004, as a result of adaptation to the comparable legislation and, specifically, the trend shown in the IAS relating to this type of contract, where it is of fundamental importance to determine if the contract operator which is deemed to maintain control of the assets, the investment made was considered an intangible fixed asset once construction had been completed.

The transfer described in the preceding paragraph appears under the caption Other Movements in the Tangible Fixed Assets:

In addition, the variations of € 89,745 thousand in Advance payments and Fixed Assets in the course of construction relate basically to the construction of the line and substation of Abenasa Transmissao de Energia, Ltda. in Brazil, a company which is in the pre-operational phase (See Note 13.6), and, as mentioned previously, to reclassifications of projects that were in progress in preceding years and in 2004, are considered intangible fixed assets subsequent to the completion of construction thereof.

13.5. It is planned, at present, to repay the Financing without Recourse Applied to Projects in accordance with the following calendar, pursuant to the forecast cash flow to be generated by the projects.

2005	2006	2007	2008	2009	Following	Total
163,069	34,199	41,250	16,494	16,623	95,804	367,439

The 2004 balance includes € 113,596 thousands relating to Financing without Recourse in Process assigned to electricity activities (See Note 13.9).

13.6. Financing without Recourse in Process.

Financing without Recourse in Process is defined as cash transactions in which financial resources are obtained, usually through financial entities. These transactions fall within the framework of the development of projects, which are, likewise, usually undertaken using Project Finance. This manner of obtaining funds is considered analogous to the traditional advance payments that the clients make during the different phases of the execution of a project or works. Financing without Recourse in Process is distinguished from the traditional client advance payments because it is usually a financial entity that provides the funds, which relate to short-term transactions (usually with a duration of less than 2 years) during the launching and construction phase of Assets/Projects which, once they have been completed and brought into operation, will be subject to operations financed by means of Project Finance (See Note 13.1).

The short-term cash transactions remain under this heading until the Financing without Recourse Applied to Projects is definitively formalised.

Notwithstanding, if during the short-term financing period, risks that the deadlines agreed for formalising the Project Finance (or for the construction that will finally give rise to the financing) will not be met are noted, these amounts are reclassified to the balance sheet caption that would correspond to them in view of their nature, usually the caption Debt with Credit Entities.

As per December 31, 2004 the two projects are:

The Line Lote A –Transmission Line Londrina-Assis-Sumaré, the concession for which is held by the company Abenasa Transmissao de Energia, Ltda. and the Line Sobradinho-Colinas, the concession for which is held by the company ATE II Transmissora de Energia, S.A. The most significant details of these two projects are shown in the following chart:

Description	ATE	ATE II
Project Starting Date	February 2004	March 2005
Scheduled Completion Date	February 2006	March 2006
Amount of Contract (EPC)	€ 105,581 thousands	€ 242,108 thousands
Completion at 12.31.04	34,019	-
Starting Date Short-term Financing	December 2003	March 2005
Maturity Date Short-term Financing	December 2005	March 2007
Amount Drawn	€ 105,233 thousands	-
Scheduled Starting Date Long-term Financing	April 2005	June 2006
Duration Long-term Financing	12 years	12 years
Total Amount Long-term Financing	€ 78,193 thousands	€ 191,258 thousands

The project of the Urugueina-Macarambá-Santo Angelo-Santa Rosa 230 Kv. Line, the concession for which is held by the company STE Sul transmissora de Energia and which was classified under this caption at December 31, 2003, has now been definitively formalized as Financing without Recourse Applied to Projects.

In addition, the projects of the companies Biocarburantes de Castilla y Leon, S.A. and ETBE Huelva, S.A., which still held this kind of operation at December 31, 2003, have also been definitively formalized as Financing without Recourse Applied to Projects.

13.7. The balances of intangible, tangible and financial fixed assets, both general and relating to Projects, relating to electricity operations as defined in Note 7 t) were as follows:

Activity	Balance at 12.31.03	Increases	Decreases	Other Movements	Balance at 12.31.04
Production under Special Regime: Cogeneration	170,414	9,996	-	(1,361)	179,049
Production under Special Regime: Hydraulic	8,120	96	-	-	8,216
Production under Special Regime: Other	9,813	252	-	(19)	10,046
Transport	144,280	111,855	-	(499)	255,636
Spanish Companies Cost	191,631	24,729	-	(1,380)	214,980
Foreign Companies Cost	140,996	97,470	-	(499)	237,967
Total Cost	**332,627**	**122,199**	**-**	**(1,879)**	**452,947**

Activity	Balance at 12.31.03	Increases	Decreases	Other Movements	Balance at 12.31.04
Production under Special Regime: Cogeneration	(32,634)	(5,964)	-	(90)	(38,688)
Production under Special Regime: Hydraulic	-	(247)	-	-	(247)
Production under Special Regime: Other	(4,783)	(738)	-	19	(5,502)
Transport	(4,684)	(2,423)	-	-	(8,927)
Spanish Companies Accumulated Amortization	(37,417)	(6,949)	-	(71)	(44,437)
Foreign Companies Accumulated Amortization	(4,684)	(4,243)	-	-	(8,927)
Total Accumulated Amortization	**(42,101)**	**(11,192)**	**-**	**(71)**	**(53,364)**
Net	**290,526**				**399,583**

Other Movements basically relate to the inclusion of the company STE in the consolidated group.

The total amount relating to electricity activity is broken down between Fixed Assets in Project and other Fixed Assets as follows:

	Balance at 12.31.04	Balance at 12.31.03
Fixed Assets in Project	384,968	269,425
Other Fixed Assets	14,615	21,101
Total	**399,583**	**290,526**

13.8. The balances of Financing without Recourse Applied to Projects assigned to electricity activities as defined in Note 7 t) are as follows:

	Balance at 12.31.04	Balance at 12.31.03
Short-Term debt with Financial Entities	44,314	41,881
Long-Term debt with Financial Entities	188,846	167,573
Total	**233,160**	**209,454**

13.9. The balances of Financing without Recourse in Process relating to electricity activities as defined in Note 7.t) are as follows:

	Saldo al 12.31.04	Saldo al 12.31.03
Short-Term debt with Financial Entities	113,596	49,793
Long-Term debt with Financial Entities	-	-
Total	**113,596**	**49,793**

Note 14.- Financial Investments.

14.1. Details of financial investments as of December 31, 2004 are as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	**Associated Companies**	**Other**	**Associated Companies**	**Other**	**Total**
Short-term investments	-	51,937	-	101,588	153,525
Long-term investments	-	-	33,728	47,496	81,224
Total	**-**	**51,937**	**33,728**	**149,084**	**234,749**

The provisions recorded relating to variable interest-bearing instruments amounting to € 15,020 thousands (€ 1,464 thousands short-term and € 13,556 thousands long-term respectively). The rest of short term provision relate to non-commercial credits (See Note 15.2).

14.2. Details of financial investments as of December 31, 2004 relating to companies located outside Spanish territory are as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	**Associated Companies**	**Other**	**Associated Companies**	**Other**	**Total**
Short-term investments	-	6,236	-	320	6,556
Long-term investments	-	-	13,004	10,614	23,618
Total	**-**	**6,236**	**13,004**	**10,934**	**30,174**

14.3. The variation in long-term variable interest investments is as follows:

Financial Investments	**Balance at 12.31.03**	**Increases**	**Decreases**	**Balance at 12.31.04**
Long-term variable interest	60,791	22,601	(2,168)	81,224

Increases shows, in general, companies newly consolidated by the equity method (See Notes 6.4, 6.7, 9 and Appendix II).

Decreases shows, in general, companies leaving the consolidated group (See Notes 6.9 and 6.10).

14.4. Short-term investments relate to shareholdings in IBEX listed companies amounting to € 100,121 thousands, to fixed interest investments (Public Debt and others) amounting to € 42,616 thousands and shareholdings in unlisted companies to € 10,788 thousands.

The "financial gains" caption of the profit and loss account includes the net profits incurred on the disposal of values listed on organized secondary markets, for an approximate amount of € 11,759 thousands. At the 2004 year end, there was a latent capital gain of approximately € 3,900 thousands that had not been recorded.

14.5. Details are given below of the companies which, in accordance with current legislation, have not been consolidated (See Notes 2 and 3) in which the parent companies direct or indirect interest is higher than 5% and lower than 20%, the net book value of said holdings being € 25,670 thousands.

Long Term Financial Investments	**% Shareholding**
Aquanima	5.00
Banda 26, S.A.	9.00
Cisep	12.50
Grupo Empresarial Gea XXI, S.A.	14.29
Nextell Communication Solutions, S.A.	10.00
Norpost, S.A.	10.00
Vetejar	8.67
Xfera Móviles, S.A.	5.63

Short Term Financial Investments	**% Shareholding**
BC International Corp.	9.90
Chekin	14.28
Comeesa	6.90
Mediación Bursátil, S.V.B., S.A.	8.00

14.6. On December 30, 2002, as a consequence of negotiations associated to the renewal of guarantees to the authorities, Telvent GIT, S.A., a subsidiary of Abengoa, S.A. and head of the Information Technologies Business Group, executed in advance a purchase option on 3.71% of Xfera, S.A. for the sum of € 25,000 thousands. This option was granted in 2000 by Inversión Corporativa IC., S.A. (a holding company with the majority shareholding in Abengoa, S.A.) as a consequence of the counter-guarantee obligations taken on by Abengoa. This shareholding had been simultaneously (December 2002) acquired for a similar amount by Inversión Corporativa IC, S.A., applying term purchase and sale option contracts, respectively, that had been drawn up with Mercápital Telecommunications in 2000.

This acquisition materialized after the agreements between the operators and the authorities that assured certain prior conditions required by Abengoa in order to execute the option (according to the press release from the Ministry of Science and Telecommunications dated December 26, 2002). These conditions included the redefinition and a substantial reduction in the guarantee commitments to the authorities and finally materialized in the Resolution of the Secretariat of State of Telecommunications and the Information Society of March 21, 2003. Notwithstanding, until this measure was formally drawn up, Telvent GIT, S.A., as a consequence of its holding is Xfera, initially took over guarantees (a) for the amount of € 99,963 thousands to the Spanish authorities, for which it created monetary deposits (in euros and dollars) for a value equivalent to approximately € 50,000 thousands, to guarantee compliance with the commitments (which would materialize gradually up to 10 years after the commercial launching) for investment, commercialization, employment and network development acquired by Xfera Móviles, S.A. in relation to Licence B2 of UMTS; and (b) for € 7,781 thousands as a bond in the appeal lodged with the authorities in relation to the amount of the radio-electric public domain reservation fee for the years 2001 and 2002.

At present, this shareholding is held within the Group by the company Telvent Investments, S.A. (a holding company held 100% by Abengoa, S.A.), which acquired it in the year 2004 at its book value.

As stated previously, during 2003, on March 21, the Secretariat of State for Telecommunications and the Information Society approved a resolution whereby the amounts and periods of the commitments acquired by Xfera were modified, which represented a significant decrease in the guarantees furnished until that time. This allowed the operator's shareholders to begin steps to replace the amount and characteristics of the 26 original guarantees (at that time for a global amount of € 2,687,184 thousands, which figure was net of the amounts of € 312,980 thousands released on December 18, 2002 because the milestones committed had been partially met) by a single floating guarantee for an amount of € 467,797 thousands.

Consequently, the amount counter-guaranteed by Telvent GIT for this item, in accordance with its percentage holding in the capital of Xfera, became € 25,541 thousands, the monetary deposits created previously being released. Regarding the current situation, we can highlight the fact that the investment and operation requirements were again renegotiated during 2004 and the prior guarantees were reduced to one floating guarantee for € 176,100 thousand, the counter-guarantee of € 9,938 thousands of which corresponds to the Group.

The incapacity of one of the shareholders (Vivendi) to implement its quota/part in the process of reducing and replacing the guarantees agreed in December 2002 meant that, in order to make the replacement possible, the rest of the shareholders took on the guarantees corresponding to the dissenting shareholder on a pro-rata basis in accordance with their shareholdings and, as a consequence, the shares corresponding to its shareholding. Said shareholder left the company in 2003 and the rest of the shareholders took over both its rights and its duties on a pro-rata basis (except the bonds that it had duly furnished in relation to the fee appeal) and, therefore, its shares in Xfera at a symbolic value of 1 euro. In the case of Telvent GIT, S.A., this meant the acquisition of 5,390,876 additional shares, increasing its shareholding from 3.72% to 5.46% with no increase in the book value.

In addition, during the year 2004, the Group increased its shareholding to 5.63%, at a cost of € 760 thousands, due to the arbitration award resulting from the Shareholders' Agreement and caused by the previously unexpected incompatibility (a takeover bid on Orange) in relation to the shareholding of Vodafone in Xfera (6.986%). This award was based on the valuation as of January 29, 2001 (updated by the subsequent disbursements) initially performed by two international business banks and subsequently submitted to the arbitration of a third international bank due to the discrepancy in the results, in accordance with conclusions finally issued in January 2004.

Furthermore, the company subscribed the capital increase approved by the General Meeting of Shareholders on December 15, 2003, which was formalized and paid up on two occasions: at the beginning of February 2004 and in June 2004. For Telvent, this represented disbursements of € 1,467 thousands. Finally, in December 2004, a new capital increase was carried out and the Group paid up 50%, an amount of € 677 thousands, while the remaining 50% will be paid up in 2005.

As a result of these transactions, the total acquisition cost of the shareholding in Xfera was € 27,035 thousands at the 2004 year end, while the amount of the guarantees furnished by the Company as a consequence of said investment was € 9,938 thousands at the same date. The latter amount is reached due to the materialization of new reductions in the amount and nature of the global commitments of Xfera, which currently holds only one floating guarantee for an amount of € 176,100 thousands. Additionally, Telvent maintains bonds for the radio-electric spectrum Fee until the year 2004 for an accumulated amount of € 9,364 thousands (€ 1,311 thousands relating to the fee for the year 2004). This item has not been settled because Xfera systematically appeals against it and its shareholders furnish the bonds.

In accordance with normal practice in financing agreements without recourse to the shareholders, the totality of the shares of Xfera Móviles, S.A. are pledged to guarantee compliance with a contract signed by said company with its main technology suppliers, the pledge also covering any future shares that might be acquired as a result of any capital increases it may be decided to carry out.

As a consequence of the points mentioned in the preceding paragraphs, Telvent Investments currently holds 5.63% of Xfera at a total acquisition cost of € 27,035 thousands. Said amount is obtained from the sum initially paid for the acquisition of the initial shareholding in Xfera, net of the effect of the recovery by the company itself of the cost of the guarantees corresponding to the years 2001 and 2002 for an amount of € 869 thousands, together with the disbursements of capital made during the year 2004 to meet the Shareholders' Agreements adopted by this partially-held company, described in the preceding paragraphs.

The evolution and the resulting impact on the average unit cost of the shares to date is as follows:

Description	**Amount**	**Shares**	**Cost**	**Shareholding**
Acquisition of the shareholding in 12.2002	25,000	11,471,811	2.18 €	3.71%
Acquisition of shares of Vivendi in 2003	-	5,390,876	0.00 €	1.75%
Return of amount of guarantees	(869)	-	n/a	n/a
Balance at 12.31.2003	**24,131**	**16,862,687**	**1.43 €**	**5.46%**
Purchase of actions of Vodafone in 2004	760	575,250	1.32 €	0.17%
Capital increases in 2004	2,144	2,144,471	1.00 €	n/a
Balance at 12.31.2004	**27,035**	**19,582,408**	**1.38 €**	**5.63%**

The investment in Xfera was and is the result of its strategic interest for the activity of the Information Technologies Business Group. Given the strategic nature of the investment for the development of UMTS technology in said Business Group, the tacit capital gains have, from the beginning, been identified with the estimated discounted cash flows from third-party demand for the services related to this shareholding that it is considered that Abengoa can provide through its companies (generation of induced business).

For this reason, when the 3.71% shareholding in Xfera was acquired (on 12.30.2002), firstly, the price paid in the transaction (which only totalled the reimbursement of the costs and expenses incurred by IC up to said date as a consequence of the investment of an approximate amount of € 25 millions) and, secondly, the net book value per share of said shareholding, adjusted by the tacit capital gains that existed at the time of acquisition, were considered on the basis of the aforementioned estimated cash flows from third-party demand, which totalled € 31.7 millions. Applying a conservative valuation principle and taking the minority nature of the shareholding into account, which means that the company does not have any kind of significant influence and does not sit on the Board, it was decided to link the totality of the price paid solely to the aforementioned tacit capital gains, without, therefore, considering the net book value per share of the holding at that time, since the amount paid was lower than the quantification of the discounted cash flows.

In accordance with the accounting principle adopted for this investment (See Note 7i), at each year end, the income it is expected to receive is evaluated in comparison with the price paid, in order to determine whether it is necessary to record additional provisions to reduce the net book value in excess of the consumption booked, as a consequence of the materialization of induced business.

At the 2004 year end, the possibilities of induced business continued to exist and, in fact, during 2004, Telvent signed contracts for a number of years with third parties for a value of € 15 millions, which may be increased to € 25 millions, as a result of the strategic agreement signed with Xfera on November 14, 2003. Therefore, although the final commercial launching has not yet taken place, the fact that the investment is able to generate income for the Group has been proven. Consequently, at the 2004 year end, the applicable provision was made in relation to the intangible asset identified as tacit capital gains included in the valuation associated to induced business, taking into account the fact that, as mentioned previously, the net asset value per share of Xfera has, since the very beginning, been deemed to have been fully consumed, given its nature and the conditions of the business environment. Thus, to the extent that, during the year 2004, induced business was obtained in advance of the moment of the commercial launching, the Company has applied the pertinent amortization, whereby it has charged the sum of € 4,100 thousands to the profit and loss account for the year.

Special emphasis should be placed on the fact that this accounting entry results from a strict conservative accounting principle and periodic allocation of costs, since, as Abengoa and IC communicated to the Stock Market National Commission on November 6 and 7, 2003 as Relevant Facts, IC is committed to Abengoa in such a way that the latter is guaranteed all the amounts paid for the acquisition of the shareholding in Xfera, together with any damages or prejudicial consequences that may derive from compliance with the obligations acquired as a consequence of the acquisition of said shareholding until the moment that Xfera is commercially launched and provides its services, and to the extent that said commercial launching may not finally take place, regardless of the net book value at which the shareholding is recorded.

14.7. All the notifications required by Article 86 of the Spanish Limited Companies Act have been made.

14.8. There are no important circumstances that would affect the financial investments, such as litigations, seizures, etc.

14.9. Financial investments are usually in Spanish currency. Those, which are in foreign currencies, are valued at the exchange rate prevailing at the year-end and, if necessary, a provision is established.

14.10. There are no firm purchase and/or sale commitments that could be considered material in respect of the annual accounts taken as a whole.

14.11. Receivable interest accrued is not significant.

14.12. Financial investments are remunerated at an interest rate similar to market rate.

Note 15.- Trade and Non-Trade Receivables.

15.1. The balance of the caption Clients, sales and services rendered, for foreign currency receivables has a value of € 82,770 thousands, broken down in the following chart:

Currency	**Amount**
Crown (Denmark)	205
Crown (Sweden)	1
Dirhams (Morocco)	7,719
Dollar (Canada)	4,682
Dollar (USA)	42,885
Dong (Vietnam)	369
Lei (Rumania)	273
Pound (United Kingdom)	3,605
Peso (Argentine)	1,580
Peso (Chile)	3,849
Peso (Mexico)	2,419
Peso (Uruguay)	2,973
Real (Brazil)	9,853
Sol (Peru)	1,702
Yuan (China)	655
Total	**82,770**

15.2. The breakdown of non-trade receivables is as follows:

Description	Amount
Long-term receivables	40,943
Long-term guarantees and guarantee deposits	3,394
Other long-term receivables	**44,337**
Short-term receivables	90,626
Short-term guarantees	58,116
Other short-term receivables	**148,742**
Total	**193,079**

Provisions against these balances are not significatives, amounting to € 142 thousands.

The amount relating to companies located outside Spanish territory is € 71,193 thousands.

15.3. The variation in long-term non-trade receivables for 2004 is as follows:

Description	Balance at 12.31.03	Increases	Decreases	Balance at 12.31.04
Long-term non-trade receivables	16,651	102,372	(78,080)	40,943

15.4. The maturities of non-trade receivables in the next five years, including short-term maturities, are as follows:

2005	2006	2007	2008	2009	Following	Total
90,626	27,485	638	756	780	11,284	131,569

15.5. In previous years, Befesa Construcción y Tecnología Medioambiental, S.A. signed a contract for the construction of several mini power stations, which have been in operation since 1999 and 2000, although their proprietor has not yet signed the provisional reception thereof. At December 31, 2004, the amount pending collection by said subsidiary was € 12,808 thousands for work completed and expenses related thereto. € 7,648 thousands and € 5,159 thousands of this amount are booked respectively as other long-term receivables and under the heading Stocks (See Note 16), respectively, in the assets on the consolidated balance sheet, relating to the cost of building the mini power plants.

In 2002, an arbitration award was issued whereby the proprietor of the mini power stations was ordered to pay € 12,632 thousands, which included late payment interest. An appeal against this award was filed with the Provincial Court of Madrid, which issued a judgement dated December 11, 2003 declaring the arbitration award to be null and void for formal reasons, without entering into the contents of the questions raised therein. During the year 2004, the legal actions required in order to obtain repayment of the debt or execution of the guarantee in favour of Befesa Construcción y Tecnología Ambiental, S.A. were taken. The Company Directors do not consider that this situation to represent a capital loss for the Group, particularly because the pertinent administrative concession for use of the hydroelectricity of the mini power stations is mortgaged in favour of Befesa Construcción y Tecnología Medioambiental, S.A.

Note 16. Stocks.

16.1. The breakdown of the balance of stocks as of December 31, 2004 is as follows:

Description	**Amount**
Commercial inventories	9,001
Raw materials and other supplies	29,685
Work in progress	1,274
Projects in progress	122,189
Manufactured products	29,515
Advances	8,792
Total	**200,456**

The amount of stocks relating to companies located outside Spanish territory is € 55,457 thousands.

In the balance sheet liabilities (caption short-term "Trade Payables"), there are advance payments from clients of € 10,929 thousands related to projects in the process of execution at the year end.

16.2. As mentioned in Note 7i, both futures contracts for gasoline on ethanol sales as well as for the purchase of grain are held. These transactions are considered hedges. The result of these futures transactions on the raw materials markets (cereals, commodities, etc.) for the year ended December 31, 2004 was a profit of € 127 thousands for transactions closed in the year and a loss of € 7,987 thousands, booked under the caption "Deferred Expenses", for transactions that remained open at the year end.

In addition, futures sale contracts for 12,600 tonnes of zinc and 780 tonnes of primary and secondary aluminium remained open and will materialize during the years 2005 and 2006. At the year end, the result of these open transactions was not significant.

Furthermore, at the year end, ethanol sales contracts at a fixed price had been closed, together with commitments to purchase wine alcohol and cereals.

There are no significant firm purchase or sale commitments, with the exception of those mentioned in Note 32.

16.3. There are no limits on the availability of the stocks due to guarantees or pledges other than the normal ones required by the projects. These are eliminated in the course of the execution of the project.

Note 17. Cash and Banks.

The Cash and Banks balance at December 31, 2004 was € 252,145 thousands, representing available liquid cash resources and balances in favour of group companies in current accounts at sight with immediate availability in Banks and Credit Institutions.

€ 198,027 thousands of this amount relates to companies based in Spain and € 54,118 thousands to companies based abroad.

The breakdown of these balances by the main currencies in which they are nominated is shown below:

Currency	Spanish companies	Foreign companies
Euro	161,211	605
Argentine Peso	-	604
Brazilian Real	-	6,558
Canadian Dollar	-	1,914
Chilean Peso	-	3,217
Mexican Peso	-	13,294
Sterling Pound	-	103
Swiss Franc	-	387
US Dollar	36,816	26,768
Other	-	668
Total	**198,027**	**54,118**

Note 18.- Shareholders' Equity.

18.1. The breakdown of the accounts comprising shareholders' equity as of December 31, 2003 and 2004 and of the variation therein is as follows:

	Balance at 12.31.03	Distribution of 2003 Profit	Other Movements	Balance at 12.31.04
Share Capital	22,617	-	-	22,617
Share Premium	110,009	-	-	110,009
Reserves in Parent Company:				
- Distributable	107,417	674	-	108,091
- Non-distributable	4,523	-	-	4,523
Revaluation Reserve	3,679	-	-	3,679
Reserves in fully and proportionally consolidated companies	87,696	31,443	1	120,138
Reserves in companies consolidated by equity method	2,788	2,266	(70)	4,984
Cumulative Translation Adjustments:				
- In Subsidiaries Consolidated by line-by-line or Proportional Method	(49,542)	-	(7,581)	(57,123)
- In companies consolidated by equity method	(5,454)	-	(637)	(6,091)
Dividend for the year 2002	-	12,666	(12,666)	-
	283,733			**310,827**
Consolidated Profit for the Year	**47,810**	**(47,810)**	**58,330**	**58,330**
Profit Attributable to Minority Interests	**(761)**	**761**	**(6,546)**	**(6,546)**
Profit Attributable to Holding Company	**47,049**	**47,049**	**51,784**	**51,784**
Total Shareholders´Equity	**330,782**			**362,611**

18.2. The share capital at December 31, 2004 was Euros 22,617,420, formed by 90,469,680 ordinary shares of a single class and series, all of which held identical economic and voting rights, with a nominal value of Euros 0.25 each, fully subscribed and paid up. The totality of these shares were represented by account entries and had been listed on the Madrid and Barcelona Stock Exchanges and the Stock Market Interconnection System (Continuous Market) since November 29, 1996. In June 2000, a capital increase took place, the shares of which have been listed on the Stock Exchange since August 31, 2000.

The 1998 Ordinary General Meeting of Shareholders adopted the resolutions to redenominate the share capital in Euros and to adapt the accounting records and the annual accounts to the Euro, delegating in the Board of Directors to execute this at the moment it saw fit. Consequently, the Board of Directors of Abengoa, S.A. was duly authorized to adopt the pertinent resolutions, in accordance with the implementing legislation that has been issued, within the calendar established.

The calendar for adaptation to the euro fixed the year 2002 as the first year in which the accounts must compulsorily be kept in Euros, the annual accounts formulated in Euros and the share capital denominated in Euros.

The first year in which the accounting and the annual accounts could be expressed in euros was 1999. On the basis of the foregoing, on December 11, 2000 the Board of Directors of Abengoa, S.A. resolved, effective in the year 2001, to redenominate the share capital in Euros, reducing the nominal value by Euros 0.00369 per share and fixing it at Euros 22,617,420, formed by 22,617,420 shares with a nominal value of 1 euro each. January 1, 2001 was fixed as the date as from which the Company accounting, trading books, individual and consolidated annual accounts and any information required in monetary units would be expressed in Euros, although the peseta would be kept, until this currency disappears, as a unit for comparison and historical records for the appropriate purposes.

18.3. According to the notifications received by the Company under the provisions of current legislation relative to obligations to give notice of percentage interests held, together with additional information provided by related companies, the most significant shareholders at December 31, 2004 are:

Shareholders	**% Shareholding**
Inversión Corporativa IC, S.A. (*)	50.00
Finarpisa, S.A. (*)	6.04
Vinuesa Inversiones, S.L.	5.09

(*) Inversión Corporativa Group.

18.4. The Shareholders, at their Ordinary Annual General Meeting held on June 27, 2004, authorized the Board of Directors:

1.- Increase the share capital, in one or several times, to the sum of Euros 11,308,710, equivalent to fifty percent of the share capital at the time of approval, within a maximum term of five years.

2.- To issue convertible debentures, with the resulting increase of up to € 261,585 thousands in the share capital, over a five-year period.

3.- To issue other securities that recognize or create a debt or capital contribution, within the legal limits applicable in each specific case.

4.- Acquire derivatively treasury stock, within the legal limits, at a price of between Euros 0.03 and Euros 120.00 per share, within a maximum term of eighteen months.

18.5. On September 15, 2004, the Board of Directors of Abengoa, on the basis that the quoted price of the Company at that date, which was around 7 euros per share during the last quarter, did not reflect the Company's true growth potential, considered it of interest, from a financial point of view, for the Company to invest in its own shares. Notwithstanding, taking into account the fact that the Company is, by definition, a shareholder that possesses more information than the rest of the market and that, even without wishing to do so, its operations may influence the Company's share price, it adopted the pertinent rules and precautions in order to guarantee that there was no artificial influence on price formation. Consequently, making use of the authorization conferred by the General Meeting, the Board of Directors agreed to implement a program that made the acquisition of its own shares possible, earmarking a maximum amount of € 15 million last year, without exceeding, under any circumstances, 5% of the capital stock, subject at all times to the applicable legal rules, particularly those contained in Title VII of Law 24/1988 on the Stock Market and in the Company's Internal Conduct Regulations on Stock Market Matters. Abengoa, S.A. did not acquire any of its own shares in the year 2004.

18.6. The availability of the reserves is not subject to any restrictions except those imposed by current legislation. Thus, the balance of the caption Revaluation Reserve includes the net effect of the revaluation of balance sheets carried out under the provisions of Royal Decree Law 7/1996; the balance of this caption is frozen until it has been checked and accepted by the Tax Authorities. This verification must take place within the three years following the closing date of the balance sheet on which the revaluation was recorded (December 31, 1996), and, therefore, the term expired on December 31, 1999. When the verification has been made or when the time period has expired, the balance of the account may now be used to eliminate book losses, to increase the share capital or, when ten years have elapsed as from the closing date of the balance sheet in which the revaluation was recorded, as freely-available reserves.

18.7. The list of non-Group Companies / Entities that hold an interest of 10% or more in any of the consolidated companies is as follows:

Subsidiaries Companies	Partner	% Shareholding
Abecnor Subestaciones, S.A. de C.V.	Elecnor, S.A.	50.00
Alianza Befesa Egmasa, S.L.	Egmasa. Empresa de Gestión Medioambiental, S.A.	50.00
Befesa Desulfuración, S.A.	Fertiberia, S.A.	10.00
Biocarburantes de Castilla y León, S.A.	Ebro Puleva, S.A.	50.00
Bioener Energía, S.A.	Ente Vasco de la Energía	50.00
Bioetanol Galicia, S.A.	Sodiga Galicia, Sociedad Capital Riesgo, S.A.	10.00
Construcciones Metálicas Mexicanas, S.A. de C.V.	Cía. Española de Financiación del Des., Cofides, S.A.	24.40
Desarrollos Eólicos de Arico, S.A.	Soc.Inversora Maspalomas, S.A.	10.00
Desarrollos Eólicos de Arico, S.A.	Soc. Hidráulica Maspalomas, S.A.	23.35
Donsplav	Scarp	49.00
ETBE Huelva, S.A.	Cepsa (Cía. Española de Petróleos, S.A.)	10.00
Europea de Construcciones Metálicas, S.A.	Tractebel España, S.A.	50.00
European Tank Clean Company (ET2C)	Sodi	49.97
Explotaciones Varias, S.A.	Layar Castilla, S.A.	50.00
Fotovoltaica Solar Sevilla, S.A.	IDAE	20.00
Galdán, S.A.	Fagor Ederlan Coop. Ltda.	50.00
Iniciativas Hidroeléctricas, S.A.	Suma de Energías, S.L.	45.00
Intersplav	Donets Non-Ferrius Metals Research Institute	43.16
Líneas Baja California Sur, S.A. de C.V.	Elecnor, S.A.	50.00
Nordeste Transmissora de Energía, S.A. (NTE)	Dragados Industrial, S.A.	49.99
Nordic Biofuels of Ravenna	Nordic Biofuels of Nebraska, Llc.	64.02
Procesos Ecológicos, S.A. (Proecsa)	Global Plasma Environment, S.A.	49.99
Residuos Sólidos Urbanos de Ceuta, S.L. (Resurce)	Esys Montenay España, S.A.	50.00
Sainsel Sistemas Navales, S.A.	Saes Capital, S.A.	50.00
Sniace Cogeneración, S.A.	Bosques 2000, S.L.	10.00
STE - Sul Transmissora de Energía, Ltda.	Controles y Montajes	49.90
Subestaciones 615, S.A. de C.V.	Elecnor, S.A.	50.00
Subestaciones Baja California Sur, S.A. de C.V.	Elecnor, S.A.	50.00

18.8. Details of reserves in subsidiary companies consolidated by line-by-line, proportional or equity method are as follows:

Company	Amount FC / PC	Amount EM
Sub-consolidated Befesa	39,014	2,670
Sub-consolidated Information Technology	29,253	-
Sub-consolidated Asa ICI (Abeinsa)	13,139	2,314
Sub-consolidated Abengoa Bioenergy	28,161	-
Sub-consolidated Abengoa and those derived from the Consolidation process	10,570	-
Total	**120,137**	**4,984**

18.9. Details of the Fully and Proportionally Consolidated companies that generated the most significant accumulated translation differences are as follows:

Companies F.C.	Amount
Abengoa bioenergy Corporation	(25,949)
Abengoa Brasil, S.A.	2,654
Abengoa Chile, S.A.	(2,269)
Abenor, S.A.	(1,057)
Asa Investment AG	(1,793)
Bargoa, S.A.	(8,830)
Befesa Argentina, S.A.	(5,255)
Befesa Salt Slag Ltd.	(1,443)
C.D. Puerto San Carlos, S.A. de C.V.	(2,059)
Enicar Chile, S.A.	3,707
Mundiland, S.A.	1,031
NTE – Nordeste Transmissora de Energia, S.A.	(1,315)
Telvent Brasil, S.A.	(1,059)
Telvent USA, Inc.	(1,683)
Teyma Uruguay, S.A.	(3,795)
Other Positive Differences < € 1,000 thousands	2,382
Other Negative Differences < € 1,000 thousands	(10,390)
Total	**(57,123)**

Companies P.C.	Amount
Expansion Transmissào de Energia Eletrica, Ltda.	(3,240)
Intersplav	(2,998)
Other Positive Differences < € 1,000 thousands	147
Total	**(6,091)**

The amount allocated to this caption in the year 2004 is € 8,218 thousands, basically due to the fall in value of the United States dollar, and certain Latin American currencies, including the Brazilian real and the Argentinean peso, as well as the revaluation of the Swiss franc.

Note 19.- Minority Interests.

Details of Minority interests as of December 31, 2003 and 2004 and of the variation therein are as follows:

Company	Balance at 12.31.03	Other Movements	Allocation of 2003 Results	Balance at 12.31.04
Abengoa Bioenergía, S.A.	-	4,358	(310)	4,048
Abengoa México, S.A. de C.V.	454	(15)	2	441
Abengoa Perú, S.A.	(1)	-	-	(1)
Alianza Befesa Egmasa, S.L.	249	(153)	179	275
Aprovechamientos Energéticos Furesa, S.A.	30	-	(12)	18
Bargoa, S.A.	651	(9)	(132)	510
Befesa Argentina, S.A.	46	(4)	-	42
Befesa Desulfuración, S.A.	4,732	-	67	4,799
Befesa Escorias Salinas, S.A.	7	-	-	7
Befesa Medio Ambiente, S.A.	8,989	(1,190)	548	8,347
Befesa Plásticos, S.L.	222	-	(9)	213
Befesa Zinc Amorebieta, S.A.	2,271	(32)	184	2,423
Befesa Zinc Sondika, S.A.	1,004	(24)	142	1,122
Bioetanol Galicia, S.A.	2,024	-	417	2,441
Cogeneración Villaricos, S.A.	41	-	(1)	40
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	293	(319)	177	151
Ecocarburantes Españoles, S.A.	703	-	409	1,112
Enernova Ayamonte, S.A.	27	-	(39)	(12)
ETBE Huelva, S.A.	226	-	112	338
Europea de Construcciones Metálicas, S.A.	3,637	-	(567)	3,070
Explotaciones Varias, S.A.	1,262	-	(49)	1,213
Galdán, S.A.	245	-	247	492
Iniciativas Hidroeléctricas, S.A.	1,224	-	(56)	1,168
L.T. 304 Noroeste, S.A. de C.V.	(15)	15	-	-
L.T. Rosarito y Monterrey, S.A. de C.V.	(265)	265	-	-
Miner & Miner Consulting Engineers, Inc.	-	204	8	212
Nordeste Transmissora de Energía, S.A. (NTE)	14,453	5,730	888	21,071
Nordic Biofuels of Ravenna	-	1,361	(105)	1,256
Nueva Electricidad del Gas, S.A.	79	(79)	-	-
Pandelco, S.A.	(38)	2	4	(32)
Procesos Ecológicos Vilches, S.A.	59	-	(96)	(37)
Procesos Ecológicos, S.A. (Proecsa)	(142)	400	(53)	205
Puerto Real Cogeneración, S.A.	(163)	-	(59)	(222)
S.E.T. Sureste Peninsular, S.A. de C.V.	(178)	3	(7)	(182)
Sainsel Sistemas Navales, S.A.	846	-	(286)	560
Servicios Auxiliares de Administración, S.A. de C.V.	(10)	1	3	(6)
Sniace Cogeneración, S.A.	879	-	267	1,146
STE - Sul Transmissora de Energía, Ltda.	-	9,967	61	10,028
Telvent GIT, S.A.	2,430	45,969	70	48,469
Teyma Uruguay, S.A.	343	17	30	390
Consolidado Befesa	270	884	354	1,508
Consolidado Bioenergía	-	10	637	647
Consolidado Telvent GIT	209	(936)	3,521	2,794
Elimination between consolidated companies	-	-	-	-
Total	**47,093**	**66,425**	**6,546**	**120,064**

Other movements include the effects of the shareholder changes in the different companies and the exchange rate differences relating to the companies resident outside Spanish territory.

Note 20.- Deferred Income.

20.1. The breakdown of the balance of this caption at December 31, 2004 was as follows:

Description	Amount
Capital grants	39,286
Other deferred income	2,718
Total	**42,004**

20.2. Details of capital grants are as follows:

Grant Beneficiary Company	Entity	Balance at 12.31.03	Other Movements	Amount Transferred to Results	Balance at 12.31.04
Arce Sistemas, S.A.	Iberdrola	11	-	(1)	10
Befesa Aluminio Bilbao, S.L.	Basque Reg. Government	-	68	(68)	-
Befesa Construcción y Tecnología Ambiental, S.A.	ICEX	-	37	(37)	-
Befesa Desulfuración, S.A.	Basque Reg. Government	1,810	-	(132)	1,678
Befesa Escorias Salinas, S.A.	European Commission	25	-	(25)	-
Befesa Escorias Salinas, S.A.	Castilla y León Reg. Government	8	-	(8)	-
Befesa Escorias Salinas, S.A.	M. Economy and Finance	51	-	(51)	-
Befesa Escorias Salinas, S.A.	M. Industry and Energy	20	-	(20)	-
Befesa Gestión de PCB, S.A.	M. Economy and Finance	404	-	(81)	323
Befesa Gestión de PCB, S.A.	MCT	6	-	(1)	5
Befesa Gestión Residuos Industriales,S.L.	M. Economy and Finance	32	-	(3)	29
Befesa Gestión Residuos Industriales,S.L.	Envir.Dep. Andalusia Reg. Govern.	1,824	-	(194)	1,630
Befesa Gestión Residuos Industriales,S.L.	Grant Impiva	10	-	(2)	8
Befesa Gestión Residuos Industriales,S.L.	ICO/Instituto Fomento Murcia	733	-	(78)	655
Befesa Plásticos, S.L.	M. Industry and Energy	5	-	(5)	-
Befesa Plásticos, S.L.	M. Industry and Energy	23	-	(12)	11
Befesa Plásticos, S.L.	Regional Incentives	100	-	(32)	68
Befesa Plásticos, S.L.	Regional Incentives	13	-	(4)	9
Befesa Plásticos, S.L.	Regional Incentives	210	-	(33)	177
Befesa Tratamientos y Limpiezas Industriales, S.L.	ICO / Scania	13	-	(3)	10
Befesa Tratamientos y Limpiezas Industriales, S.L.	Principado Asturias SAP	16	-	(10)	6
Befesa Tratamientos y Limpiezas Industriales, S.L.	Andalusia Reg. Government	239	-	(35)	204
Bioetanol Galicia, S.A.	Consellería de Industria e Com.	167	-	(13)	154
Bioetanol Galicia, S.A.	IDAE	391	-	(27)	364
Bioetanol Galicia, S.A.	Consellería de Industria e Com.	1,506	-	(108)	1,398
Bioetanol Galicia, S.A.	Igape	4,577	-	(329)	4,248
Bioetanol Galicia, S.A.	M. Economy and Finance	9,499	-	(683)	8,816
Cogeneración Villaricos, S.A.	ICO-BEI	239	-	2	241
Cogeneración Villaricos, S.A.	Andalusia Reg. Government	450	-	3	453
Construcciones y Depuraciones, S.A.	Andalusia Reg. Government	-	95	-	95
Ecocarburantes Españoles, S.A.	Murcia Reg. Government	956	-	(86)	870
Ecocarburantes Españoles, S.A.	Murcia Reg. Government	4,394	-	(393)	4,001
Ecocarburantes Españoles, S.A.	European Union (Feder)	1,691	-	(151)	1,540
Ecocarburantes Españoles, S.A.	PAEE	955	-	(86)	869
Ecocarburantes Españoles, S.A.	European Union (Feder)	-	43	(4)	39
Enernova Ayamonte, S.A.	Andalusia Reg. Government	455	-	(24)	431
ETBE Huelva, S.A.	Andalusia Reg. Government	-	1,009	(39)	970
Europea de Cons. Metálicas, S.A. (Eucomsa)	IFA	-	423	(18)	405
Hynergreen Technologies, S.A.	M. Education and Science	-	138	(138)	-
Hynergreen Technologies, S.A.	Andalusia Reg. Government	-	130	(130)	-
ICX Sistemas, S.A.	Profit	-	37	(37)	-
ICX Sistemas, S.A.	Profit	-	21	(21)	-
Instalaciones Inabensa, S.A.	European Commission	400	128	(201)	327
Instalaciones Inabensa, S.A.	Plasma Air	-	68	(44)	24
Instalaciones Inabensa, S.A.	Steiplasma	-	38	(38)	-
Instalaciones Inabensa, S.A.	Wi-PAC	-	14	(12)	2
Instalaciones Inabensa, S.A.	Ceramsol	-	184	(49)	135
Nueva Electricidad del Gas, S.A	Andalusia Reg. Government	280	(280)	-	-
Procesos Ecológicos Vilches, S.A.	Andalusia Reg. Government	686	-	(65)	621
Puerto Real Cogeneración, S.A.	Andalusia Reg. Government	279	-	100	379
Sanlucar Solar, S.A.	Andalusia Reg. Government	-	38	-	38
Sanlucar Solar, S.A.	Andalusia Reg. Government	35	-	-	35
Solucar Energía, S.A.	European Union	1,260	84	(1,110)	234
Solucar Energía, S.A.	M. Science and Technology	-	265	(169)	96

Grant Beneficiary Company (Continuation)	Entity	Balance at 12.31.03	Other Movements	Amount Transferred to Results	Balance at 12.31.04
Solucar Energía, S.A.	European Union	1,015	-	(577)	438
Solucar Energía, S.A.	DGPT	-	40	(40)	-
Solucar Energía, S.A.	M. Education and Science	-	436	(57)	379
Telvent Energía y Medio Ambiente, S.A.	ICEX	10	(10)	-	-
Telvent Energía y Medio Ambiente, S.A.	M. Science and Technology	2	(2)	-	-
Telvent Energía y Medio Ambiente, S.A.	M. Science and Technology	193	(70)	(123)	-
Telvent Energía y Medio Ambiente, S.A.	M. Ind., Tourism and Commerce	-	438	(246)	192
Telvent Energía y Medio Ambiente, S.A.	European Commission	-	160	(65)	95
Telvent Energía y Medio Ambiente, S.A.	Andalusia Reg. Government	-	810	(632)	178
Telvent Interactiva, S.A.	M. Science and Technology	92	503	(545)	50
Telvent Interactiva, S.A.	Andalusia Reg. Government	166	135	(301)	-
Homogeneización criterios Consolidación		6,964	(4,313)	3,695	6,346
Total		**42,215**	**667**	**(3,596)**	**39,286**

Capital grants are related to investments in Tangible and Intangible Fixed Assets. There are no cases of non-compliance at this stage or expected whereby the Entity awarding the grant could claim it to be returned.

20.3. Movement on the caption “Other Deferred Income” in the year was as follows:

Description	Balance at 12.31.03	Increases	Decreases	Balance at 12.31.04
Exchange rate gains	5,503	1,189	(4,559)	2,133
Income from deferred interest	759	-	(174)	585
Huepil de Electricidad, S.A.	25,930	-	(25,930)	-
Total	**32,192**	**1,189**	**(30,663)**	**2,718**

The most significant movement relates to the decrease produced by the Huepil de Electricidad, S.A. project, since, as mentioned in Note 13.4, this became an intangible fixed asset at the 2004 year end.

Note 21.- Provisions for Contingencies and Expenses.

21.1. Movement on the caption "Provisions for Contingencies and Expenses" in the year was as follows:

Description	Balance at 12.31.03	Increases	Decreases	Other Movements	Balance at 12.31.04
Provisions for Contingencies and Expenses	37,284	38,492	(9,854)	(13,999)	51,923

21.2. At the year end, applying a conservative valuation principle, provisions for € 38,492 thousands were booked in order to cover risks in the evolution of the businesses in Latin America, for risks related to projects that are currently in progress in the form of research and development or similar, and for specific risks stemming from any contingencies that may arise as a consequence of arbitration or legal proceedings initiated by Abengoa in businesses outside Spanish territory in which, in the opinion of the Directors and their legal advisors, Abengoa has sufficient arguments for the amounts claimed to be recognized in its favour, with, if applicable, the dismissal of any possible counterclaims that may be filed against it.

Likewise, the amount shown at December 31, 2004 includes the provision of € 947 thousands relating to the pension commitments described in Note 28.1.

During the year, provisions of € 9,854 thousands (registered in previous years) were applied, since it was registered that, even though the directors and legal advisors are of the opinion that Abengoa had sufficient arguments for the amounts subject to claims to be recognised in its favour, the time which had elapsed without the claims being resolved made it advisable to classify them as possible contingent assets, proceeding to the application of the provision. In case that the claims were materialised and collected, will be recorded as income in the year when it occurs.

Note 22.- Non-Trade Payables.

22.1. Details of debts with financial institutions are as follows:

Description	Balance at 12.31.04
Short-term debts	61,978
Long-term debts	532,662
Total	**594,640**

This amount includes debts denominated in foreign currencies for the amount of € 35,907 thousands, all of which relates to companies resident abroad (See Note 22.6).

22.2. Loan and credit facility payments are analysed as follows:

2005	2006	2007	2008	2009	Following	Total
61,978	176,015	170,275	169,530	592	16,250	594,640

The amounts maturing in the year 2006 onwards include a long-term syndicated loan signed on May 28, 2002 for an amount of € 500,000 thousands. It was granted by certain subsidiary companies. The loan has an estimated term of 6 years and repayment of the principal will commence from the year 2006 onwards. The loan is intended to finance investments in projects and other investments in companies that allow the Group's business and lines of activity to be expanded. Traditionally, Abengoa has maintained this line of long-term financing within the conditions established with the financial institutions, implying compliance with certain conditions agreed between the parties, which are the usual ones in this type of financial operation.

In order to minimize the volatility of the interest rates on financial operations, specific contracts are signed to hedge any possible variations that might take place. At December 31, 2004, 100% of both the amount and term of the syndicated loan was hedged by interest rate derivatives. The average reference rate during the year 2004 was 2.14%.

In addition, an approximate amount of € 1,500 thousands for the valuation of the hedging instruments deemed not to be effective was charged to the profit and loss account for the year.

22.3. Accrued interest due to financial institutions totals € 2,049 thousands, which is included under the caption "Short-term debts with credit entities".

22.4. There are no debt secured by real property mortgage at December 31, 2004.

22.5. Credit facilities for the discount of trade bills are renewable and may be extended at any moment. Therefore a quantification of credit limits is not relevant for the purpose of the annual accounts.

22.6. The equivalent for the breakdown of the most significant foreign currency debt with financial entities is as follows:

	Companies Located	
Currency	**Outside Spain**	**Spain**
Dirhams (Morocco)	1,089	-
Dollar (USA)	1,964	-
Peso (Argentine)	1,165	-
Peso (Chile)	23	-
Peso (Mexico)	5,789	-
Peso (Uruguay)	410	-
Real (Brazil)	25,192	-
Sol (Peru)	5	-
Yuan (China)	270	-
Total	**35,907**	**-**

22.7. The average rate of the credit transactions is within market rates in each of the countries where each operation is formalised.

Note 23.- Other Long-Term Creditors.

23.1. The breakdown of this caption at December 31, 2004 was as follows:

Description	Balance at 12.31.04
Debt with leasing entities	13,022
Other long-term creditors	116,167
Total	**129,189**

23.2. In the year 2002, based on a lease-back transaction signed with a financial institution during the year, the company Telvent Housing, S.A. booked the disposal of fixed assets assigned to said company for an amount of € 16,702 thousands as decreases in the caption "Technical Installations and Machinery" and, at the same time, recorded the aforementioned lease-back agreement under the caption "Rights under Leasing Contracts" No capital gain or loss was recorded as a result of the operation described. At the 2004 year end, the amount relating to said transaction was € 6,047 thousands.

23.3. In the year 2004, the company Abengoa Bioenergy Corporation (ABC, formerly HPC until 2002) signed a Sale and Lease-Back transaction on a indivisible part (48.72%) of the fixed assets of the York plant (state of Nebraska, USA) with General Electric Capital Corporation (Wells Fargo Bank Northwest, National Association acting in the capacity of Owner Trustee). The company continued to hold these assets after the Sale and Lease Back formalized in the year 2003 with Bank of America Leasing Corporation and Merrill Lynch Leasing (Wells Fargo Bank Northwest, National Association acting in the capacity of Owner Trustee) on the other indivisible part (51.28%) of the tangible fixed assets of the York Plant.This transaction, which fell within the financing strategy for the Group's Biofuel business branch and should be considered as the first of other similar transactions currently being in process, was performed on the basis of technical valuations by independent experts, which assigned the assets of said plant (with a capacity of 50 million gallons of nominal production of ethanol) a present value of 63.8 million dollars (€ 46.8 million) (this figure drops to 56.8 million dollars (€ 45.0 million) when the assets not involved in the transaction, such as office buildings, laboratories and land property rights, are eliminated), on the basis of technical financial interest of 11%. This valuation, which was performed by the firm AccuVal Associates on the basis of different methods, including discounted cash flow, replacement value and comparable assets, would fully support maintaining the amount of 105.9 million dollars (€ 77.7 million) paid (in January 2002) for 100% ownership of said company (annual capacity of 85 million gallons of ethanol) as a result of the takeover bid promoted by Abengoa.

In accordance with the accounting treatment adopted, applying the strictest international accounting standards and in spite of compliance with the mathematical criteria required under certain comparable legislation, and the compliance with the criteria upheld in negotiating the transaction by the banking institutions involved, and, likewise, in spite of the fact that 100% of the fixed assets of the York plant had been transferred, it was decided to keep the net book value of the affected assets in the balance sheet assets, considering the economic background of the transaction. The net book value of this asset was 37.7 million dollars (€ 27.6 million) and the corresponding short- and long-term payable, pursuant to the planned leasing payment period, of the amount received for the transaction, net of commissions, of 56.8 million dollars (€ 41.7 million). The latent gain of 19.1 million dollars (€ 14.1 million) is not recognized as a profit in the accompanying consolidated accounts, since it is appropriate to defer it in order to annually offset the cost to be borne as leasing payments and reduce it to a value substantially identical (net of the financial effect) to the value that would result from the systematic depreciation over the same time period as the term agreed for payment of the future non-cancellable leasing payments.

Although, for operational reasons, the transaction was formalized through the subsidiary ABC, from the point of view of the consolidated group, it implies the transfer of the asset and the payment of periodic rent over the period of use thereof. In this context, Abengoa will be responsible for the future payments committed in the next 9 years as rental of the asset for its own use and exploitation, which will represent an average annual amount of approximately 7.3 million dollars (€ 5.4 million), considering it as an operating expense necessary for carrying on the activity, together with keeping the plant in optimal operating conditions and remaining as the operator thereof in the event that the purchase option was not executed.

The company has the option, although it is not obliged to execute it, to repurchase the installations in September 2010, after 6 years and 9 months of leasing payments (EBO clause), for an amount of 29 million dollars (€ 21.3 million). Alternatively, this option may be executed at the end of the leasing period (December 2013) at a price that will take the market value into account (Fair Market Value). If ABC or the Abengoa Group finally decided not the execute this option, the Group undertakes to facilitate the solution that the lessor decides to apply that permits the transfer of the asset to third parties or the use or management thereof in another way.

If this transaction had been considered as an off-balance-sheet financial transaction that involved the associated assets and liabilities being fully removed from the consolidated annual accounts of Abengoa at December 31, 2004, without recognising, in any case, a profit as a result of the disposal of said assets, the balance sheet captions affected would be: less amount of assets (Tangible Fixed Assets) for € 27.6 million, less amount of liabilities (Long-term Creditors) for € 41.7 million, and increase in value of liabilities of € 14.1 million (Deferred Income), due to the deferral over the term of the transaction of the latent capital gain, which would be booked in the profit and loss account simultaneously to the leasing expense.

The Directors are of the opinion that the amounts resulting from a pro-forma balance sheet considering the contents of the preceding paragraph would provide a true and fair view of the financial situation of the company and the consolidated group, taking into account the business strategy, the arguments used in the transaction by the financial institutions that are participating and, in particular, the fact that the company has no any commitment to execute the purchase option on the assets and, on the basis of the conditions of the transaction, it cannot be presumed that reasonable doubts do not exist as to whether the purchase option will be executed.

23.4. The caption Other Long-term Creditors includes long-term balances payable to official entities (Ministry of Industry and Energy and others) in repayment of subsidized interest-free loans granted for Research & Development projects. At the 2004 year end, this item totalled € 33,621 thousands.

Note 24.- Tax Situation.

24.1. Abengoa, S.A. and 40 other Group companies (See Appendix V to these Notes) are taxed under the Special Regime for Company Groups for 2004, with the number 2/97. We highlight the fact that, in the year 2004, as a result of the capital increase in Telvent GIT, S.A., (See Note 6.5), this company and its subsidiaries, which previously formed part of the aforementioned tax group, ceased to do so. Likewise, Befesa Medio Ambiente, S.A. and 9 other companies (See Appendix V hereto) are taxed in the year 2004 under the Special Company Group Regime under the tax legislation of Biscay with numbers 4/01 B. In November 2004, the Group company Proyectos de Inversiones Medioambientales, S.L. (PIM, S.L.) acquired 77.23% of Befesa Medio Ambiente, S.A. and, therefore, at January 1, 2005, PIM, S.L. could form a new consolidated tax group under this legislation. The rest of the Group companies are subject to corporate tax under the General Regime.

In relation to the tax regime under the local legislation of Biscay that is applicable to Befesa Medio Ambiente, S.A. and its subsidiaries, in 2005 the Group has become aware that the Supreme Court has delivered a judgement whereby certain rules contained in said local corporate tax legislation are declared null and void. The local authorities have announced their decision to lodge the applicable appeals against this judgement, although these appeals have not been published at the date of these annual accounts.

24.2. In order to calculate the taxable income of the consolidated tax group and the individual tax companies, the book profit is adjusted in accordance with any timing or permanent differences that may exist, giving rise to the pertinent prepaid and deferred taxes, resulting from applying the accounting principle of accrual. In general, prepaid and deferred taxes arise as a result of making the valuation criteria and principles in the accounts of individual companies consistent with those of the consolidated group, to which the parent company's criteria and principles are applied.

24.3. The corporate income tax payable, under either the general regime or the special regime for groups of companies, is the result of applying the pertinent tax rate to each taxpayer, pursuant to current legislation in each one of the tax territories and/or countries in which the different companies have their registered offices. The tax allowances and credits to which the different companies are entitled, which relate mainly to double inter-Company and international taxation and to investments made, are likewise applied. Some companies taxed under special individual regimes, have been entitled to tax reductions based on the rules applicable to their activities.

24.4. Reconciliation of the accounting result with the taxable income is as follows:

Reconciliation Accounting Result with Taxable Income	Amount
Consolidated profits after tax	58,330
Permanent differences	
- Corporate income tax	5,022
- Originated from individual companies	(1,306)
- Originated from consolidation	(24,717)
Temporary differences	
- Originated from the individual companies	(8,109)
- Originated from consolidation	(6,462)
Offsetting of negative tax bases	(3,030)
Taxable Income	**19,728**

The permanent differences arise mainly from the distribution of dividends, the provision for amortisation of Goodwill and the portfolio provisions for consolidated companies.

Temporary differences on consolidation basically originate from the adaptation of accounting criteria to those applied by the parent company.

The breakdown of the corporate income tax item on the consolidated profit and loss account for the year 2004 is as follows:

Description	Amount
Forecast Tax Expense	12,080
Capitalisation of Deferred Tax Assets (See Note 24.5)	(7,058)
Total	**5,022**

24.5. The Group holds a deferred tax asset derived from tax credits and allowances pending application pursuant to the resolution of the ICAC (Accounting and Audit Institute) dated March 15, 2002.

The amount of this deferred tax asset (See Note 24.4), together with the prepaid tax recorded, appears under the caption "Other Debtors" in the Assets of the Consolidated Balance Sheet for an amount of € 52,142 thousands at December 31, 2004.

Included in that amount there are € 12,347 thousands relating to companies located outside national territory. The most significant are Brazil amounting to 6,344 thousands and Argentine amounting to € 2,668 thousands. In Brazil, negative tax bases pending application do not prescribe and in Argentine there is a maximum period of 10 years to compensate them.

In addition, at December 31, 2004, the Group held an amount of € 26,074 thousands relating to deferred tax, most of which resulted from timing differences on consolidation, under the caption "Other Non-trade Debts" in the balance sheet liabilities.

24.6. In accordance with the provisions of article 42 of Royal Legislative Decree 4/2004 of March 5, whereby the revised text of the Corporate Tax Act was approved, the following is the information necessary to meet the formal requirements of the tax credit for reinvestment of the extraordinary profits generated by Abengoa, S.A. in the year 2004.

Transfer Date	Asset Transferred	Amount of Transfer (a)	Net Book Value (b)	Monetary Fall in Value Art. 15.11 Corp.Tax Act (c)	Income to be applied as Tax Credit (a-b-c)	Reinvestment Date
12-17-02	Tangible Fixed Assets	28,858	3,658	481	24,719	11-22-02
10-14-04	Financial Assets	8,143	5,939	-	2,204	08-09-04

In accordance with article 75 of Royal Legislative Decree 4/2004 of March 5, whereby the revised text of the Corporate Tax Act was approved, the first reinvestment has been made in a member of the tax group, Bioetanol Galicia, S.A. Said reinvestment materialised in the Bioethanol production plant with an annual capacity of 126.5 million litres, using cereals as raw materials, for use as gasoline additives, also obtaining a co-product with a high protein content for animal food, together with the operation of a simple cycle cogeneration plant of 24.8 Mw, for an amount of € 92,131 thousands. The second reinvestment was made by the tax group company Telvent Investment, S.L. by means of the acquisition of securities representing the holding in the equity of the company Telvent Factory AG for an amount of € 9,353 thousands, thus obtaining a shareholding of more than five percent in the capital of said company.

24.7. Due to possible different interpretations of the tax legislation applicable to each one of the territories and/or countries in which the different companies are tax residents, there may be certain contingent tax liabilities. However, in the opinion of the tax advisors, the possibility of their materialisation is remote, and in any event, the amount, which could arise from this, would not significantly affect the annual accounts.

In accordance with the applicable accounting principles, accounting provision is made for contingencies deemed probable, while those classified as remote are not recognized as such or broken down, except when the degree of probability thereof can be considered to be at least possible.

Note 25.- Guarantees Furnished with Third Parties and Other Contingencies.

25.1. At the year end, the overall amount of the guarantees committed with third parties was € 444,258 thousands, relating to guarantees and bonds to guarantee strict compliance with the obligations acquired in work contracted and bids and for grants received.

As security for various transactions with financial institutions (excluding the Syndicated Loan of Abengoa, S.A., to which Note 22.2 refers), at December 31, 2004 there were guarantees of € 590,437 thousands furnished between Group companies, € 315,578 thousands of this amount relating to operations outside Spanish territory of both foreign companies and Spanish companies acting abroad.

25.2. At December 31, 2004, Abengoa and its group of companies were involved in legal actions both in their favour and against them, as a natural result of their business and the economic and technical claims that the parties to a contract frequently file against each other. The most significant of these claims is currently located abroad and refers to a contract for the redevelopment of electricity generation units regarding which, due to various incidents, the group company to which the contract had been awarded filed a claim, as a result of the impossibility of executing the project in the manner in which it was defined because the client did not duly obtain, on a timely basis, the pertinent administrative permits required to carry out the work.

As a consequence of the foregoing, said company holding the contract claimed substantial economic amounts that have not been recognized in the accompanying annual accounts or in those prepared in previous years, given their status as contingent assets. The client finally filed counterclaims against these claims in 2003, including the items intangible losses and claims for indirect damages very much higher that the total of the original contract (around 200 million dollars). The Directors of Abengoa expect that this dispute can be resolved appropriately in a reasonable period of time and, therefore, do not consider it to represent liabilities subject to be accounted for. This opinion is corroborated by the company's legal advisors, especially because of the limitation established in the contract itself, which excludes liability for indirect damages and limits liability for direct damages.

Note 26.- Income and Expenses.

26.1. Transactions carried out during the year by Abengoa, S.A. with Temporary Consortiums not included in the consolidation process amount € 14,073 thousands (sales).

26.2. The caption "Other Operating Income" on the consolidated profit and loss account relates to accessory income, operating grants and all other income not included under other income captions, except extraordinary income. The breakdown is as follows:

Description	Amount
Accessory income	14,739
Consortium Integration	2,241
Operating grants	5,254
Total	**22,234**

The caption Grants includes an amount of € 2,486 thousands relating to the annual recognition of the grant received by Abengoa Bioenergy R&D through the Department of Energy (DOE) of the United States Federal Government as part of the financing of the R&D project on Bioethanol products using lignocellulosic biomass.

26.3. The volume of transactions carried out in foreign currency is as follows:

Description	Amount
Sales	437,027
Purchases	214,078
External Services (Received)	76,034
External Services (Provided)	93,037

26.4. The distribution of the net turnover by activity is as follows:

Business Groups	Amount	%
Bioenergy	335,303	19.87
Environmental Services	359,142	21.29
Information Technology	270,427	16.03
Engineering and Industrial Construction	722,253	42.81
Total	**1,687,125**	**100.00**

26.5. The distribution by geographical area is as follows:

Geographical Area	Amount	%
Domestic Market	**1,010,535**	**59.90**
- European Union	115,505	6.85
- OECD countries	317,857	18.84
- Other countries	243,228	14.42
International Market	**676,590**	**40.10**
Total	**1,687,125**	**100.00**

26.6. The net aggregated turnover of the companies included in the consolidation, which are not resident in Spain, was € 557,524 thousands. The consolidated annual accounts include the accumulated reserves and retained earnings of the individual consolidated companies in the shareholders' equity, not considering the effect of the hypothetical distribution thereof, since said reserves and retained earnings are used as a financing source in each one of the companies.

26.7. The average number of employees in the year is, by categories, as follows:

	Average Number		
Categories	**Spain**	**Outside Spain**	**Total**
Engineers and University Graduates	867	920	1,787
Technical Staff	506	213	719
Clerical Staff	1,036	250	1,286
Workmen and other	2,948	2,578	5,526
Total	**5,357**	**3,961**	**9,318**

To accumulate this information, the entities included in the consolidation were considered only in the cases where the full or proportional consolidation methods are applied.

26.8. Details of extraordinary income and expenses are as follows:

Income	Amount
Profits on sale of Intangible and Tangible Fixed Assets	6,137
Disposal of investment in group companies	184
Capital grants transfers to profit for the year	3,596
Other extraordinary income	30,407
Total	**40,324**

Income	Amount
Disposal of Intangible and Tangible Assets	618
Variation in provisions for Tangible and Intangible Fixed Assets	7,745
Disposal of investment in group companies	11
Provision for Contingencies and Expenses	25,492
Other extraordinary expenses	3,536
Total	**37,402**

Net Extraordinary Losses	**2,922**

Other Extraordinary Income consists mainly on the extraordinary profit generated by the listing of Telvent GIT, S.A. on the Nasdaq. The amount relating to this item is € 22,542 thousands.

26.9. Details of the contributions to the profit and loss account after tax by Business Group are as follows:

	Amount
Bioenergy	13,328
Environmental Services	11,275
Information Technology	21,980
Engineering and Industrial Construction and Corporate	11,747
Total	**58,330**

The individual annual accounts of the Spanish companies included in the consolidation are filed at the Companies Registry of the province in which their corporate headquarters are located, pursuant to current mercantile legislation.

26.10. The net turnover figures of the companies with electricity operations as defined in Note 7 t) are the following

Activity	Amount
Production under special regime: Cogeneration	77,137
Production under special regime: Hydraulic	648
Production under special regime: Transport	28,139
Production under special regime: Other	5,861
Total	**111,785**

26.11. The balance of consumption and other external expenses is € 1,046,918 thousands, of which € 789,639 thousands relate to purchases, € (6,830) thousands to variation in inventories, € 31 thousands to purchases returned, € 107 thousands to volume discounts on purchases and € 264,247 thousands to work carried out by other companies.

The balance of personnel costs is € 271,634 thousands, of which € 222,014 thousands relate to wages, salaries or similar and € 49,620 thousands staff welfare charges.

26.12. The balance of the caption Work Carried out on Fixed Assets is € 58,624 thousands, relating to the expenses incurred by the companies on their fixed assets, using their equipment and personnel, which are capitalized. Of this amount, € 35,846 thousands relate to purchase and sale transactions between companies in the consolidated group, to which consolidation criteria and principles, explained in Note 7.h, are applied. The rest relate to individual companies.

26.13. The balance of Other Financial Income is € 11,545 thousands, the most significant amounts relating to Other Financial Income € 8,405 thousands and Income from Fixed-Income Securities € 900 thousands.

26.14. The breakdown of Other Operating Expenses is as follows:

Description	Amount
External Services	241,157
Taxes	12,407
Other Management Expenses	18,652
Total	**272,216**

The caption External Services includes, among other items, rentals and royalties for an amount of € 37,064 thousands, transport for an amount of € 27,953 thousands, services of independent professionals for an amount of € 65,593 thousands, and other services for an amount of € 44,877 thousands.

Note 27.- Accounts with Related Companies.

27.1. The account held by Abengoa, S.A. with Inversión Corporativa I.C., S.A. at the year-end shows a nil balance.

27.2. Dividends paid to related companies in the year total € 7,098 thousands.

27.3. On December 17, 2002, Abengoa, S.A. sold some lands and installations that belonged to it to Iniciativa de Bienes Inmuebles, S.A., a subsidiary of Inversión Corporativa I.C., S.A. The selling price was € 28,858 thousands, with capital gains of € 25,200 thousands on the sale. The selling price was established in accordance with reports on the value prepared by independent professional experts.

The agreements in force between Abengoa, S.A. and Iniciativas de Bienes Inmuebles, Ibisa (Inversión Corporativa) include the commitment, in the event that the value of the plots of land acquired by Ibisa from Abengoa, S.A. were, for any reason, finally higher than the acquisition price plus expenses, whereby Ibisa undertakes to pay Abengoa, S.A. the difference between the two values or, alternatively, to grant a repurchase option on the same land in the same terms as were initially agreed for the sale.

27.4. Other transactions performed during the year with significant shareholders were:

- Creation of a surface right for Explotaciones Casaquemada, S.A. (a subsidiary of Inversión Corporativa, I.C., S.A., the reference shareholder of Abengoa) in favour of Fotovoltaica Solar Sevilla, S.A. (a subsidiary of Abengoa) by means of a public deed dated December 24, 2004, for a term of 30 years, on land of 12 hectares, to be used for the promotion, construction and exploitation of a 1.2 MW photovoltaic solar plant by Fotovoltaica Solar Sevilla, S.A. The accumulated fee for the whole term is € 216.4 thousands.

- Likewise, Explotaciones Casaquemada, S.A. (subsidiarie of Inversión Corporativa) sold barley from land taken out of production to Ecoagrícola, S.A. (a subsidiary of Abengoa) for an overall amount of € 33.5 thousands, to be used in the production of biofuels, within the Community Aid Programme.

Note 28.- Other Information.

28.1. The total remuneration paid to the members of the Board of Directors in their capacity as such and to the Board of Directors Advisory Council members of Abengoa, S.A. in the year 2004, was € 786 thousands for salaries and subsistence allowances, and € 296 thousands for other items. Likewise, pension commitments for a total value of € 947 thousands, fully provided for, were acquired.

In addition, in the year 2004, the remuneration paid to the Senior Management of the Company in their capacity as such, considering the members thereof to be the group of fifteen people who form the corporate bodies of the Chairman's Office, the Strategy Committee and the Management of the Corporate Departments, was € 4.842 thousands, including both variable and fixed items.

28.2. There are no advances or loans given to the members of the Board of Directors or obligations contracted by them under guarantee.

28.3. Since July 19, 2003, the date of entry into force of Law 26/2003 whereby Law 24/1988 of July 28 on the Stock Market and the Revised Text of the Limited Liability Companies Act were amended in order to reinforce the transparency of limited liability companies, the members of the Board of Directors have not held shares in the capital of companies that carry out activities directly with a type that is the same as or analogous or complementary to that included in the corporate purpose of the parent company. Likewise, they have not carried on and do not carry on at present any activities, for their own account or for the account of third parties, of a type that is the same as or analogous or complementary to that which constitutes the corporate purpose of Abengoa, S.A.

Details of the Directors who also belong to other listed companies are given below:

Tax Id. No.	Name	Listed Company	Position
35203147	José Terceiro Lomba	U.Fenosa	Member of the Board of Directors
35203147	José Terceiro Lomba	Iberia	Member of the Board of Directors, member of the Executive Committee
35203147	José Terceiro Lomba	Grupo Prisa	Member of the Board of Directors, Chairman of the Audit Committee
A15125057	C.Caixa Galicia	Sacyr	Member of the Board of Directors
A15125057	C.Caixa Galicia	U.Fenosa	Deputy Chairman and member of the Consultative Committee
A15125057	C.Caixa Galicia	Ence	Chairman of the Board of Directors
A15125057	C.Caixa Galicia	Prosegur	Member of the Board of Directors
2191423	Ignacio de Polanco Moreno	Grupo Prisa	Member of the Board of Directors

28.4. According to the register of significant shareholdings that the Company keeps pursuant to the provisions of the Internal Conduct Regulations on Stock Market Matters, the Directors percentage holdings in the Company's capital at December 31, 2004 were as follows:

	% Direct	% Indirect	% Total
Felipe Benjumea Llorente	0.059	-	0.059
Javier Benjumea Llorente	0.002	-	0.002
José Joaquín Abaurre Llorente	0.013	-	0.013
José Luis Aya Abaurre	0.061	-	0.061
José B. Terceiro Lomba	0.111	0.111	0.222
Ignacio de Polanco Moreno	-	-	-
Corporación Caixa Galicia, S.A.U.	0.001	-	0.001
Total	**0.247**	**0.111**	**0.358**

28.5. During the year 2004, fees of € 1,656 thousands were accrued in relation to financial audit work, including the year-end audit, together with the periodic review of information and the audit of the company listed in the USA under US GAAP. €1,193 thousands of this amount corresponded to the Group's main auditor, PricewaterhouseCoopers.

In addition, audit companies were paid € 2,787 thousands for other work, € 2,310 thousands of which related to the work carried out by PricewaterhouseCoopers in connection with the listing of Telvent GT, S.A., while the remainder, € 477 thousands, mainly related to work on the project for implementation of the IAS in Abengoa, due diligence work and other minor work. A total of € 135 thousands of this amount corresponded, once again, to the main auditor.

28.6. Included in Short-Term Investments and Cash at Bank and in hand, there are some deposits amounting to € 35,922 thousands as a counter-guarantee of certain obligations assumed by group companies during the normal course of business.

28.7. Adaptation to International Accounting Standards

Regulation (EC) 1606/2002 of the European Parliament and of the Council July 19, 2002 stated, in article 4, regarding application of international accounting and financial reporting standards, that it was compulsory for companies governed by the Law of a Member State to draw up their consolidated financial statements in accordance with international accounting standards for years starting on or after January 1, 2005 if their securities were admitted to trading on a regulated market of any Member State. Law 62/2003 of December 30, on tax, administrative and social measures establishes the changes in Spanish legislation to provide for compliance with the Regulation adopted by the European Parliament and the Council.

The issuance of the international financial reporting standards is the responsibility of the International Accounting Standard Board (IASB), with subsequent approval of the European Commission, if applicable.

The Abengoa Group formed a Technical Working Committee, which included representatives of all its business segments, in order to adapt to international accounting standards. The main objectives of this Committee were and are the analysis of the differences and the different treatments in comparison with the accounting principles applied at present, the evaluation of the implications of the international accounting standards-international financial reporting standards on each of the sectors in which the Group operates, to establish and apply the Group's accounting policies and criteria under international accounting standards-international financial reporting standards, to establish and apply a training program for Group employees, the determine and quantify impacts and to prepare a transitional balance sheet as of January 1, 2004 and the quarterly financial statements for 2004, attaining full implementation of the new legislation as from January 1, 2005. The current stage of the progress in the work to implement the new legislation will allow the calendar fixed by the European Commission and local information reporting requirements under the new accounting rules to be met.

Note 29.- Information by Activity

The main figures of the Consolidated Balance Sheet at December 31, 2004 and the analytical Consolidated Profit and Loss Account for said year for each of the different activities carried on by Abengoa through its four Business Groups are set forth below.

These activities, which are described in Note 1 above, are as follows:

- Biofuels.
- Environmental Services.
- Information Technologies.
- Engineering and Industrial Construction.

	Biofuels	Environmental Services	Information Technologies	Engineering & Ind. Const.	Corporate	Adjustments on consolidation	Group Total
Assets							
Fixed assets	247,066	205,771	83,396	389,178	434,970	(308,211)	1,052,170
Goodwill	48,067	85,209	23,184	7,260	156,402	(9,484)	310,638
Deferred expenses	10,262	1,199	498	1,653	4,129	-	17,741
Current assets	210,262	199,205	256,089	441,362	738,807	(628,013)	1,217,712
Total	**515,657**	**491,384**	**363,167**	**839,453**	**1,334,308**	**(945,708)**	**2,598,261**

	Biofuels	Environmental Services	Information Technologies	Engineering & Ind. Const.	Corporate	Adjustments on consolidation	Group Total
Liabilities							
Shareholders' equity	145,264	165,851	65,698	91,169	265,662	(371,033)	362,611
External shareholders	5,147	10,789	63,243	36,413	37,992	(33,520)	120,064
Deferred income	27,615	9,704	1,322	26,196	915	(23,748)	42,004
Provision for contingen. & expenses	9,237	16,099	702	6,982	-	18,903	51,923
Financing w/r applied to Projects	77,149	1,485	7,008	168,202	113,595	-	367,439
Long-Term Creditors	106,252	37,064	18,451	35,881	500,517	(36,314)	661,851
Short-Term Creditors	144,993	250,392	206,743	474,610	415,627	(499,996)	992,369
Total	**515,657**	**491,384**	**363,167**	**839,453**	**1,334,308**	**(945,708)**	**2,598,261**
Sales	**335,303**	**359,142**	**270,427**	**722,254**	**-**	**-**	**1,687,126**
EBITDA	**47,471**	**38,019**	**38,841**	**77,951**	**-**	**-**	**202,282**

The criteria applied to obtain the financial statements separated by activity are described below:

1. The data have been grouped by sectors using the sub-consolidated statements of each of the companies that head the Group's different businesses.

2. Corporate activity includes the assets and liabilities that are for general use and not distributed to the rest of the activities, being mainly on the parent company's balance sheet.

3. The Group also has auxiliary activities, portfolio companies and companies engaged in property exploitation. The size of these activities is not sufficiently significant (less than 5%) to present separate information on them and, therefore, they are likewise integrated into the Corporate activity column.

4. In general, no sales or other transactions are carried out between the different activity segments, except in the case of transactions with the parent company, which are eliminated in the consolidation process and included in the column Adjustments on Consolidation

Note 30.- Environmental Information.

One of the 4 Business Groups into which Abengoa is structured concentrates its activity as supplier of environmental services, such a waste recycling, industrial cleaning and environmental engineering.

Befesa, parent company in this Business Group, contributes assets of € 491,384 thousands, sales of € 359,142 thousands and attributable profits of € 11,450 thousands associated to the environmental activity to the Consolidated Financial Statements of Abengoa.

At the 2004 year end, Abengoa considered that it did not incur any environmental risks that required additional provision to be made.

One of Abengoa's objectives is for all its companies to hold Certificates for their Environmental Management Systems. The use of treatment techniques with preventive guarantees in respect of environment quality has been officially recognised through the environmental management certifications (ISO 9001, ISO 14001 and EMAS). As a consequence of the foregoing, at the end of the year 2004, 83% of the Abengoa companies had Quality Management Systems certified through ISO 9001. Likewise, 73% of the companies had Environmental Management Systems certified through ISO 14001.

The percentage distribution by Business Group of the companies with Quality and Environment certifications is shown below:

Business Group	**% Companies Certified under ISO 9001**	**% Companies Certified under ISO 14001**
Information Technology	100%	69%
Engineering and Industrial Construction	95%	81%
Environmental Services	65%	70%
Bioenergy	60%	60%

The Spanish companies of the Bioenergy Business Group, Ecocarburantes Españoles, S.A. and Bioetanol Galicia S.A., have developed and implemented an integrated management model for Quality, Environment and the Prevention of Risks at Work, which was certified by an international certification entity in 2004. Regarding the United States company Abengoa Bioenergy Corp., it is governed by the most influential local rules in its sphere of production.

As tools to improve the Quality and Environmental Management Systems, almost all the Group companies have implanted a new version of the two computer applications: for management and problems resolution (PRR) and for processing the improvement actions (IA).

Note 31.- Subsequent Events.

On February 4, 2005, the company Vinuesa Inversiones, S.L. notified the Stock Market National Commission and the Company of a reduction in its significant shareholding at said date, resulting in a final position of a 3.9% shareholding, which, thus, was no longer classified as significant (5% or multiples). It has been removed from the Capital Structure on the web page of Abengoa and from the Commission’s Register of Significant Shareholdings. In addition, on February 2, 2005, State Street Bank and Trust Co. notified the Commission and the Company of its position with a significant shareholding of 5.085%. It was, therefore, included in the aforementioned Register and on the Company’s web page.

Since 2004 year end, no other events have occurred that could have a significant influence on the information contained in the Consolidated Annual Accounts formulated by the Directors as of today’s date or that should be highlighted as significant for the different companies or the Group as a whole.

Note 32.- Order Book.

The breakdown of the Order Portfolio at December 31, 2004 by type of activity is as follows:

Activity	Amount
Traditional Activity	684,269
Turnkey Activity	431,535
Recurrent Activity	84,800
Total	**1,200,604**